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Michel Euler/The Associated Press

Fresh Protests Flare in Bucharest as New Parliament Meets

Romanian soldiers standing guard as the new parliament gathered Monday after Romania's first free elections in half a century. But elsewhere in Bucharest, protesters resumed anti-government demonstrations less than a week after President Ion Iliescu ordered his loyalists to chase activists off the streets. Parliament called on the police to stop the protests, while the U.S. ambasssador, just back from Washington, criticized President Iliescu for earlier violence. Page 2.

Gorbachev Facing 2-Pronged Attack

Ligachev Calls for Vote on Economy As Republics Seek More Sovereignty

By Francis X. Clines
New York Times Service

MOSCOW — With two weeks to go before the Communist Party debates its future at a national congress, President Mikhail S. Gorbachev faced increasing political challenges Monday from old and new sources of party power.

Yegor K. Ligachev, the leading hard-liner left in the Politburo, pressed his criticism of Mr. Gorbachev's policies by calling for a referendum on his plan to ease the nation away from a centralized economy.

At the same time, Communist leaders in Russia, the nation's heartland republic, were reported close to realizing their hope of creating their own branch within the central party in response to the wave of separatist zeal that has been sweeping the Soviet Union.

Mr. Gorbachev had opposed a separate party branch for Russia, concerned that, with 57 percent of all party members, it might disrupt the national party and create a new power base for his critics in the party. But he switched his position last month as the idea gathered strength.

On Tuesday, Mr. Gorbachev is expected to make another plea for Communist unity when he addresses the opening session of a conference of Russian party leaders. They seem certain to move toward creating the separate branch of the party long denied to Russia while allowed in the other Soviet republics.

The Russian conference will prepare for the July congress of the national party. That long-awaited congress will see 5,000 party members wrestle with their own and the party's future following the party's loss of its guarantee of monopoly power, and the rapid erosion of the public's faith in the national leadership.

Mr. Ligachev has in effect been speaking to both these concerns, attempting to rally party traditionalists in advance of the congress with expressions of concern that

See PARTY, Page 2

Kohl Sees The 'Year Of Unity'

All-German Vote For December Is Likely, He Says

By Serge Schmemann
New York Times Service

BONN — Chancellor Helmut Kohl said Monday that a December date for the first all-German elections "is coming near to being very, very likely."

His comment, in a television interview, was his most assertive to date on the possibility that German unity could occur by the end of the year. At a conference of his Christian Democratic Union in Bonn earlier in the day, Mr. Kohl declared that 1990 "will be the year of German unity."

His party also set Oct. 1 as the date to formally merge with the Christian Democrats in East Germany, who are led by Prime Minister Lothar de Maizière. The Social Democratic Party and the small Free Democratic Party, the partner in Mr. Kohl's coalition government, have also set dates for next fall to merge with their East German counterparts.

Mr. Kohl has sought for about a month to expand West German parliamentary elections scheduled for Dec. 2 into an all-German election, which originally had not been expected until next year. His faith that this was close to being realized evidently arose from several recent developments that joined to give a sense of rapidly accelerating momentum.

The parliaments of both Germanys are to vote this week on a treaty, signed last month, uniting their currencies and economies as of July 1, the first major step toward reunification.

The legislatures also are scheduled to pass resolutions on Tuesday renouncing any designs on German territories ceded to Poland after World War II, a measure that will clear one of the foreign obstacles to unity.

The most formidable obstacle, however, is the Soviet Union's concern over its economic and military security once East Germany is out of its orbit.

Foreign Minister Hans-Dietrich Genscher of West Germany held his eighth round of talks on Monday with the Soviet foreign minister, Eduard A. Shevardnadze.

As before, the ministers gave little indication of the substance of their talks, but the frequency and intensity of the meetings suggests that they are working hard to fashion a compromise, possibly in time for the next session of the Two-plus-Four talks on June 22. The talks comprise the victorious Allies of World War II — France, Britain, the United States and the Soviet Union — and the two Germanys.

The most immediate reason for Mr. Kohl's optimism was apparently the debate he witnessed in the East German parliament on Sunday on an unexpected motion to proceed immediately to reunification. The motion was sent to a committee by a large majority, but the debate revealed a readiness in East Germany to move up reunification.

Mr. Kohl said his visit to East Berlin left him "with the firm impression that the wish exists there to vote with the Federal Republic."

A joint vote would be tantamount to reunification, since the West German Constitution envisions direct accession to the Federal Republic by any of the former German länder, or states.

Mr. de Maizière has been more cautious than Mr. Kohl on the possibility of unity in December. He noted Sunday that East Germany still had to reconstitute the former states, which were abolished by the Communists in 1952, and to prepare a second treaty on the conditions of reunification.

Mr. Genscher and Mr. Shevardnadze met for six hours in the town hall of Münster.

The negotiations between the Germans and the Soviets have become the focal point of the Two-plus-Four talks, at which the Germanys and the Four Powers are working to lift the last vestiges of military occupation and to resolve the place of a united Germany in the European security structure.

Mr. Shevardnadze said the meeting was constructive and useful, but added, "I don't want to create the impression that everything proceeded smoothly, that all outstanding issues were resolved. Some thorny problems remain."

The Germans are said to be preparing a major package of financial aid, trade and security guarantees to gain Soviet support for reunification.

■ The Best Path

Mr. de Maizière said Monday in Paris that the best way to a united Germany had not yet been found, Reuters reported. After an hour's meeting with President François Mitterrand, he said there were no disagreements as such over the path to Germany unity.

"We simply were agreed that the best transition plan clearly has not yet been found," he said.

Dow Falls 54 Points On Program Sales

United Press International

NEW YORK — Stock prices slumped in New York, with the Dow Jones industrial average losing almost 54 points, as computer-program strategies that play stocks against futures pushed blue-chip issues to their worst fall since January.

The Dow industrials, which rose 7.67 points Friday, fell 53.71, to 2,882.18. Friday's close of 2,935.89 was the record high. The fall was the third biggest of the year for the blue-chip index, trailing a 77.45-point slump on Jan. 22 and a 71.46-point tumble on Jan. 12.

Volume was light as investors stepped back after Wall Street's recent gains. This turned the market over to speculators, whose computer-driven programs were blamed for the sharp fall.

These programs seek to generate profits from discrepancies in the prices for stocks and in the futures market prices for stock indexes. Usually, index futures cost more than the current value of the indexes themselves, in order to take account of dividend payments and potential appreciation.

But when the premium on stock-index futures falls below a certain level — or disappears — speculators buy the relatively inexpensive futures and sell the stocks that make up the indexes. The selling pushes stock prices lower.

On Monday, there was little interest in stocks from bargain hunters who might otherwise have braked the fall. Analysts said the high level of the Dow is keeping potential buyers away from the market.

"There's a lot of nervousness about these higher levels," said James Andrews, first vice president in charge of institutional trading at Janney, Montgomery, Scott Inc. in Philadelphia. "I'd say that nervousness plus the programs was what brought us down today."

Edward Nicoski, chief technical

See MARKET, Page 10

Bulgaria's Ex-Communists Win Majority

By Chuck Sudetic
New York Times Service

SOFIA — Bulgaria's former Communists, reshaped as the Bulgarian Socialist Party, have gained a parliamentary majority based on official results issued Monday from the second round of the first free multiparty elections here in more than four decades.

The elections made Bulgaria the only country in Eastern Europe to have returned its rulers to power in free elections.

The runoffs Sunday took place between the top two candidates in districts where the top vote-getter in the first round, on June 10, failed to win over 50 percent of the ballots.

Results showed that the Socialist Party won 39 of the 81 seats at stake in the second round. Its main rival, the Union of Democratic Forces, won 37, and smaller parties and independent candidates won 5.

The capital, Sofia, remained a bulwark of the opposition, with the Union of Democratic Forces winning 24 of 26 seats in the first round.

The Socialist Party will send 211 deputies to the 400-seat National Assembly.

The Union of Democratic Forces, a coalition of 16 parties and organizations, will send 144 delegates; the predominantly ethnic Turkish Movement for Rights and Freedom will have 23, and the Bulgarian National Agrarian Union, a party long allied with the Communists, will have 16. Other smaller parties and opposition groups won 6.

Older people, members of a generation still loyal to the communists, wept and cheered as the Socialist Party cleared the 200-seat mark needed for a majority.

Prime Minister Andrei Lukanov said, "It is a vote of confidence."

The voting Sunday, which attracted a heavy turnout, was calm. Although there were reports of intimidation and fraud, international observers generally concluded that the election was basically fair.

Election officials have said that the parliament would investigate all charges of serious electoral irregularities and take action in cases where the allegations proved true.

The Socialist Party's popularity in Bulgaria is unmatched by any other former Communist Party in East European countries.

The Bulgarian Communist Party did not collapse into disarray in the aftermath of the overthrow of its former leader, Todor Zhivkov, in

See SOFIA, Page 2

WORLD CUP GRANDSTAND

Argentina 1, Romania 1

Argentina and Romania played to a draw, putting both teams into the final 16. Defender Pedro Monzon gave Argentina the lead against the run of play in the 62d minute when he headed home a Diego Maradona corner. Romania scored six minutes later on a headed goal by Gavril Balint.

Soviet Union 4, Cameroon 0

The Soviet Union thrashed Cameroon, but the triumph was too late to prevent the Soviets from elimination. Cameroon won Group B of the first round.

Attack Minded

The Italian coach, Azeglio Vicini, in a surprising change to his lineup, said Monday that backup strikers Roberto Baggio and Salvatore Schillaci would replace Andrea Carnevale and Gianluca Vialli against Czechoslovakia Tuesday night. The Czechoslovak defense will be strengthened by the return of Frantisek Straka after a leg injury.

Tuesday's matches:
Yugoslavia vs. United Arab Emirates, 1500 GMT;
West Germany vs. Colombia, 1600 GMT;
Italy vs. Czechoslovakia, 1900 GMT;
U.S. vs. Austria, 1900 GMT.
World Cup report: Pages 16, 17

Top-Secret U.S. Agency Now May Target Trade

By Michael Wines
New York Times Service

WASHINGTON — As the Soviet military threat declines, the National Security Agency is debating a shift in the targets of its global electronic eavesdropping network to such activities as spying on world trade and financial transactions, government officials and intelligence experts say.

The agency is already considering reducing some of its Soviet operations, but any further shift would mark a basic change of mission for an organization whose foremost duty since its formation 38 years ago has been to warn of a Soviet military strike.

The National Security Agency, the largest of the nation's intelligence agencies, gathers all the intelligence derived from radio signals, telephones, and other electronic communications. It is formally an agency of the Pentagon, but it coordinates its activities with the Central Intelligence Agency, whose director reports to the president and the cabinet.

Senior officials of the National Security Agency, led by its director, Vice Admiral William O. Studeman, began this spring to draft a proposal to redefine its activities in light of the political and military upheaval in the Soviet Union and Eastern Europe, government officials and private experts said.

Officials emphasized that the agency must continue to monitor Soviet military and political developments as long as the Soviet Union remains a nuclear superpower and maintains the largest military force in Asia. In fact, some eavesdropping may well increase as instability mounts in Russia and nearby republics, they said.

But the officials said the emerging battles for economic primacy among Western nations and multinational companies — rather than military rivalries — offer by far the most promising prospects for the agency's future activities.

Among both senior intelligence officials and those in Congress who oversee their activities, the Soviet military retreat has given rise to a belief that American security now rests more in economic strength than in armed might. The temptation to use espionage as a weapon in the world's trade wars is fast becoming the hottest issue in intelligence circles.

Officials say the National Securi-

See SPY, Page 2

Pierre Gleizes/The Associated Press

THEY ANSWERED A CALL — French Resistance fighters commemorating de Gaulle's appeal 50 years ago Monday to continue fighting the Nazis despite the accord with Germany. President François Mitterrand unveiled a plaque at the Arc de Triomphe.

Kiosk

Irwin Wins U.S. Open Golf

MEDINAH, Illinois — Hale Irwin won his third U.S. Open golf title here on Monday, edging Mike Donald in sudden death on the 19th hole. The two had tied in an 18-hole playoff.

Earlier article, Page 19

Terror Suspect Held

BERLIN (Reuters) — East Germany on Monday arrested a ninth person suspected of involvement in killings by the West German Red Army Faction, the ADN news agency said. It identified her as Silke Maier-Witt, 40, who is suspected of taking part in the 1977 murder of industrialist Hanns-Martin Schleyer.

Related article, Page 7

Gamma

Marc Bohan, formerly of Dior, is to become artistic director of Hartnell, dressmaker to the queen. Page 8.

General News

Five Central American leaders try to revive their region's common market. Page 7.

A college degree has become a major requirement for getting a job in the U.S. Page 3.

Business/Finance

Delors rejected a "two-speed" monetary union. Page 9.

Foreign banks in the U.S. took issue with IRS tax audits. Page 9.

Crossword Page 8.
Weather Page 2.

Dow Close
2,882.18
Down
53.71

The Dollar In New York

DM	1.6743
Pound	1.716
Yen	153.60
FF	5.6316

Trump Taj Mahal Casino Fails to Impress India

Newspapers Ridicule 'Monument to Mammon'

By Barbara Crossette
New York Times Service

NEW DELHI — In the land of the Moguls, an incredulous public is coming to terms with the news that somewhere in America — Atlantic City, New York, according to one newspaper — a rich man has built himself a Taj Mahal.

Over the last few weeks, the weekend color supplements of leading newspapers have been printing pictures of Donald J. Trump's casino, looking like an amusement park fantasy when juxtaposed with shots of the original.

The Indian commentary is often acid.

"Donald Trump's Taj does serve one purpose," wrote Pratapaditya Pal in The Saturday Statesman. "It demonstrates that Hollywood does not have a monopoly on bad taste. Donald's folly in Atlantic City certainly beats anything in the home of Donald Duck."

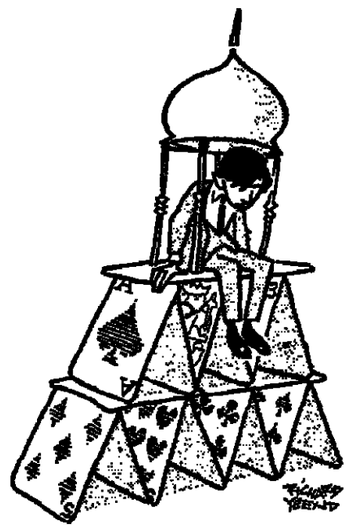
For some, the idea of turning this symbol of human love into a "monument to mammon" is disturbing.

The Taj Mahal in Agra was built in the 17th century by a heartbroken emperor, Shah Jehan, to house in splendor the remains of his politically astute and obviously captivating consort, Mumtaz Mahal. She died during childbirth at the age of 34.

Shah Jehan's Taj Mahal was built of white marble along classic Mogul lines, its central dome perfectly balanced by smaller towers and minarets.

The inspiration for the incongruous temple spires or multicolored onion domes in Atlantic City, New Jersey, could not have come from this serene mausoleum, decorated only with inlaid gems.

The Sunday Observer, calling the American impostor the "Trumped-up Taj," published an article from a correspondent in New York pointing out that Shah Jehan, unlike Mr. Trump, did not have to take out a bank loan for his project.



Israel Invites Assad To Visit Jerusalem

By Joel Brinkley
New York Times Service

JERUSALEM — Prime Minister Yitzhak Shamir on Monday formally invited President Hafez Assad of Syria to visit Jerusalem for peace talks.

"We are inviting him to come and hold negotiations," Mr. Shamir said. "And maybe we will also achieve peace."

Mr. Shamir and his aides insisted that the invitation was not disingenuous. But the director of the government press office, Yossi Olmert, said, "No one really expects Mr. Assad to take up the invitation."

Instead, Mr. Shamir's aides acknowledge, Israel is deeply concerned that the Bush administration has turned against the new, rightist government. Last week, Secretary of State James A. Baker 3d criticized Israel before the House Foreign Relations Committee.

And given the practical and ideological constraints governing Mr. Shamir's narrow coalition, Israel concluded that the unlikely invitation to Mr. Assad was one of the steps it could take to try to show Washington that Israel was interested in promoting peace.

"We are very concerned, very worried about the very negative, very pessimistic perception of the new government coming from Washington," Mr. Shamir's chief of staff, Yossi Ben Aharon, said Monday.

"The kinds of doomsday predictions we are hearing are not warranted," he added.

"We are saying, 'Give us a chance,' " Mr. Ben Aharon said. But at the same time he acknowledged, "We have to act."

And so, he said, the invitation was issued to Mr. Assad.

"You may well see this as a futile gesture," Mr. Ben Aharon said. "But we will keep trying, and you never know when we may hit a nerve."

Mr. Shamir says Israel plans other steps, too.

"We have different ideas," he said Monday. "When we have a chance to talk face to face with representatives of the U.S. government, we'll relay our ideas and suggestions."

Mr. Ben Aharon said that one of the ideas was to search the Israeli-occupied territories for Palestinians who did not support the Palestine Liberation Organization and who could serve as negotiating partners.

In the past, Mr. Ben Aharon and others have acknowledged that there probably are no such people.

Still, he said, "We will try to find Palestinian Arabs to come forward."

The invitation to Mr. Assad and the search for Palestinian representatives are the two steps Mr. Shamir's office says it can point to as evidence that the new government is serious about pursuing peace.

Mr. Ben Aharon said he could offer nothing more for now.

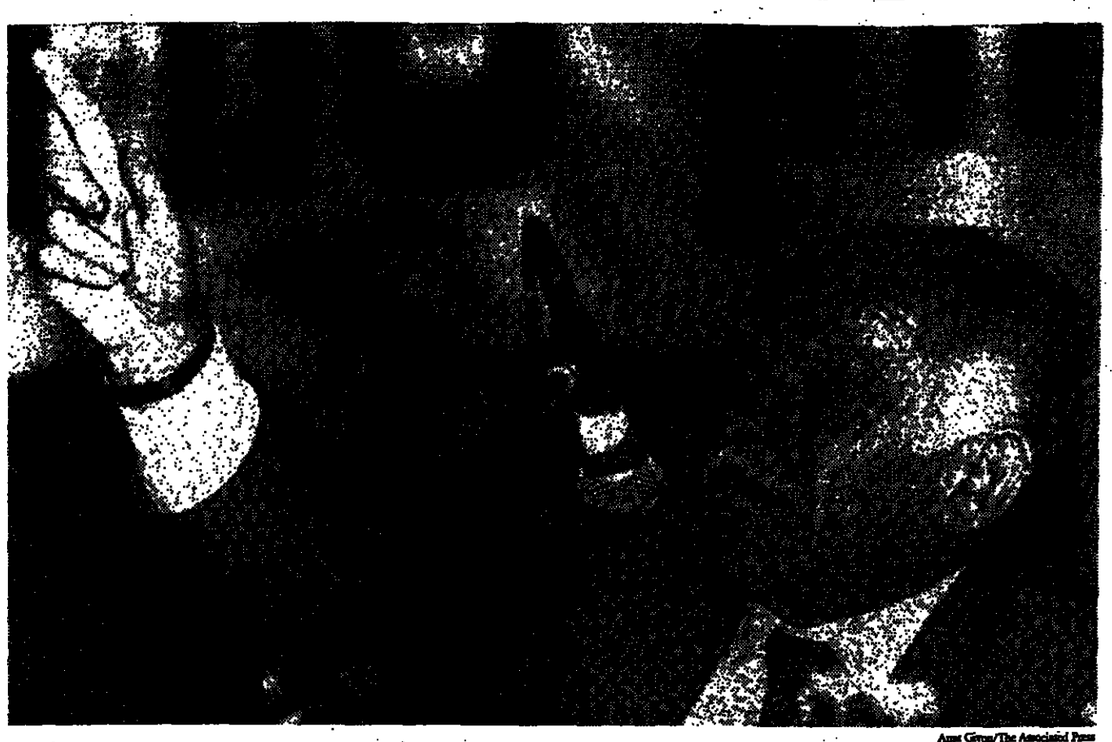
Mr. Shamir appears committed to his position permitting the movement of Israeli settlers and Soviet Jews to the occupied territories.

As to the Bush administration's broader concern about new settlement activity, Mr. Shamir said that he did not intend to allow new settlements, for now, and instead would expand existing ones.

He said that now the most important issue was "to take care of the existing settlements, to develop them, to advance their population."

President Mikhail S. Gorbachev has demanded that Israel offer clear guarantees that Soviet immigrants are not moving to the occupied West Bank and Gaza Strip.

Israel has responded that although the immigrants are free to move where they want, it is not government policy to channel them to the territories.



Amir Gitun/The Associated Press

Mr. Shamir inviting Mr. Assad on Monday to visit Jerusalem and hold peace negotiations.

India and Pakistan Set Kashmir Talks

Compiled by Our Staff From Dispatches

NEW DELHI — India and Pakistan agreed Monday to hold high-level talks to try to ease the threat of war over the disputed northern region of Kashmir.

An Indian government spokesman said that senior officials would meet early next month but that the date and location had not been decided.

In Islamabad, a Foreign Ministry official, Tanvir Ahmed Khan, confirmed the proposed meeting.

"I think this is a welcome development," he said. "This could be a good beginning."

A dispute over the Kashmir Valley has brought the two countries, both of which are believed to have nuclear weapons technology, close to their fourth war since they gained independence from Britain in 1947.

In recent months, the United States, the Soviet Union, China, Britain and the United Nations have expressed fears that India and Pakistan could be headed for war over Kashmir, where militants are seeking independence from Indian rule.

India has accused Pakistan of arming and training the militants. Pakistan, while denying the charges, has said that it supports Kashmiri secession as a movement for self-determination.

U.S. officials warned recently of a serious threat of war by early autumn, and there were indications Monday that the decision to hold the high-level talks followed heavy diplomatic pressure by both Washington and Moscow.

In May, the deputy U.S. national security adviser, Robert M. Gates, traveled to Pakistan and India to urge them to begin talks. Western diplomats in New Delhi said Monday that Mr. Gates's visit and Soviet pressure had helped defuse the situation.

"The Americans read the Pakistanis the riot act and the Soviets have done the same to the Indians," a Middle Eastern military official said. "Now we have some hope."

The Indian Foreign Ministry spokesman said the decision Monday was made after a meeting between a senior official of the ministry, Muchkund Dubey, and the Pakistani ambassador, Bashir Khan Babar.

India and Pakistan both claim Kashmir, a predominantly Muslim state. The territory is divided between the nations by a cease-fire line, and the armies of both countries have massed troops and artillery along the border.

Two of the three previous India-Pakistan wars, fought in 1948 and 1965, have been over Kashmir. Both were won by India.

Early this year, India began a crackdown on the separatist movement. Since then, more than 550 people have died in the valley, mostly independence activists or their supporters.

In the latest violence in Kashmir, paramilitary police on Monday trapped a group of Kashmiri Muslim guerrillas in a house in southern Srinagar, and seven persons, including five policemen, were killed in a gun battle, police sources said.

Also on Monday, a leading militant unilaterally declared independence for Jammu and Kashmir state. Amanullah Khan, leader of the Jammu and Kashmir Liberation Front, announced that he had set up a provisional government with 24 ministers for Independent Jammu and Kashmir. *(AP, AFP)*

PARTY: *Gorbachev Is Facing Double-Edged Attack*

(Continued from page 1)

Mr. Gorbachev's government has made dangerous concessions that could end in the disintegration of the Soviet federation.

"Let's ask the people what road we should take in reconstructing society — either the socialist or the capitalist," Mr. Ligachev declared in proposing the referendum in an interview in Pravda, the party newspaper.

Mr. Gorbachev had previously moved to neutralize the threat of such party hard-liners as Mr. Ligachev by creating a more democratically elected congress and by preparing a new power base for himself apart from the party in the new, more powerful office of national president that he now holds.

But Mr. Ligachev and other disgruntled party loyalists clearly hope to mount a full-scale complaint, backed by a weary Soviet public that is increasingly anxious about the disruptions that might occur with Mr. Gorbachev's still-uncertain plan to move toward a market economy.

The government's plan to slowly reduce rigid government price controls with an increase in bread prices was rejected last week by the parliament in response to public complaints.

As party politicians began gathering in Moscow, speculation increased that Mr. Gorbachev might soon remove Prime Minister Nikolai I. Ryzhkov, who carried the plan to raise bread prices to the nation as a compromise on far more radical free-market strategies.

Mr. Ryzhkov was named prominently by Andrei N. Girenko, secretary of the party Central Committee, as one of the possible contenders for the leadership of a new Russian party, should the separate branch be created.

A far more complex challenge to Mr. Gorbachev than the party careerists' dilemma over survival is the growing pressure from the nation's republics for a greater share of sovereignty and power sharing.

On Monday, the new prime minister of the Russian government, Ivan S. Silayev, continued the theme of greater independence from the central government that has been pressed by Boris N. Yeltsin, Mr. Gorbachev's most popular critic who now is president of Russia.

Mr. Silayev, complaining that Russia contributes three times more to the national treasury than it receives in benefits, vowed a program to ensure Russia's "real economic independence as a sovereign state."

Mr. Ligachev, in effect, was pressing Mr. Gorbachev from the opposite direction, complaining about the "destructiveness" of nationalist pressures for sovereignty.

Parliament Acts to Halt Protests in Bucharest

Reuters

BUCHAREST — Illegal street protests resumed in Bucharest on Monday, and the new parliament authorized security forces to stop them, raising the stakes again in the struggle between Romania's elected government and anti-Communist activists.

The U.S. ambassador, Alan Green Jr., blamed President Ion Iliescu for inspiring vigilante violence in the capital last week.

"It is clear that the democratic process in Romania has come to a stop," Mr. Green said upon his return from Washington, on the day that two new houses of parliament met following the first free elections for more than 40 years.

Hundreds of people milled about all afternoon and evening in a section of a central Bucharest street that had been forcibly cleared by the police last Wednesday.

The protesters were joined by growing numbers of workers appalled by Mr. Iliescu's decision to unleash bands of vigilantes on the capital.

"Before, we didn't have anything against Iliescu, but after seeing what the miners did I have no use for these criminals," a protester said.

Several people were chased and roughed up by anti-government protesters Monday — a repetition, though milder, of street attacks by gangs of pro-government miners on Thursday and Friday.

The police kept away from the boulevard during Monday's demonstrations, apart from one or two who helped to direct traffic away from the area.

The governing National Salvation Front, accused by its enemies of harboring too many diehard Communists, used its two-thirds majority in the Assembly of Deputies to push through a call for an end to the illegal rally.

The motion demanded the intervention of the forces of public order to disperse the demonstration, which sprang up again on Sunday evening and Monday afternoon, with protesters blocking the eight-lane avenue at University Square.

Adrian Sirbu, assistant to Prime Minister Petre Roman, said miners had offered to return to Bucharest to deal with the new demonstrations, but the government had declined the offer.

"They rang us and asked us if it was necessary for them to come again," Mr. Sirbu said at a news conference. "We said, 'No, stay there and work. That is the necessity.' "

A student leader who was severely beaten was taken into police custody Monday and charged with helping incite the unrest. The student, Marian Munteanu, was moved Monday from the Emergency Hospital to a police hospital after being charged with "instigation and participation in violence," according to the opposition group he leads, the Students League. Mr. Munteanu was beaten and suffered a fractured skull and broken left leg and arm, doctors said.

On Monday, an anti-government protest similar to the new one continued for seven weeks almost at the doorstep of one of Bucharest's main international hotels until it was violently cleared by the police.

The hotel is now mainly occupied by foreign journalists. Few foreign businessmen have been seen since last week's violence.

In Luxembourg, European Community foreign ministers delayed signing a new trade and cooperation agreement with Romania.

"In the present circumstance we cannot take a decision today on the bilateral agreement initialed on June 10," a spokesman for the EC Commission said at a news conference Monday.

A government statement on Monday appealed to students and intellectuals "to set the bounds between the battle of ideas and violent street actions" to avoid a repetition of last week's "regrettable incidents".

3 in U.S. Found Guilty in Plot To Arm IRA

Reuters

BOSTON — Three people were found guilty Monday in federal court here of charges that they plotted to export arms and weapons technology to Ireland, including sophisticated anti-aircraft missiles for use against British helicopters.

Richard Johnson, 42, and Christina Reid, 25, both Americans, were found guilty along with Martin Quigley, 27, an Irishman, of violating the Arms Export Control Act and of conspiring to aid a foreign insurgency and destroy the property of a foreign government. Mr. Johnson was also found guilty of exporting weapons to the Irish Republican Army.

Judge David Mazzone set sentencing for Aug. 20. Mr. Johnson faces 28 years and a $1 million fine; Mr. Quigley, 18 years and a $500,000 fine, and Ms. Reid, eight years and a $500,000 fine.

The three were indicted in August.

SPY: *Agency Seeks Target*

(Continued from page 1)

ty Agency's discussions raise fundamental questions about the fairness of such tactics and their practicality. Even if the United States could set aside its ethical objections to industrial espionage, there are legal barriers to disclosing such information and serious questions of which American companies should receive it — if, in fact, major companies with factories worldwide and joint ventures abroad can be any longer identified as American.

The issue is especially delicate because some of the most attractive targets of economic espionage could well be companies or government agencies of nations militarily allied with the United States, both in Western Europe and in Asia, notably Japan. Many of those nations are believed now to spy on American corporations.

"The real issue is, do you want United States intelligence to steal the proprietary secrets of foreign nations," a government official said. "It's fundamentally anathema to our way of life. We don't do business this way."

Industrialized nations, including the United States, routinely collect economic intelligence on their allies. The National Security Agency gathers data on financial and stock transactions and foreign government strategies that are useful in trade negotiations and other government decisions, like the approval of foreign purchases of American companies dealing in restricted technologies, officials said.

There is a consensus among intelligence officials that the agency should gather more economic data, to assist government bodies involved in commerce and to detect coming economic disruptions that could affect U.S. interests.

Agency eavesdropping outposts are also said to stumble routinely across foreign corporate trade secrets and national industrial strategies that could be of immense value to American companies competing abroad.

That information is not now sought or distributed within the government, much less among private companies. Among the issues now being discussed by top intelligence officials are whether the agency and other government organizations should make a deliberate effort to collect such information, and who should benefit from it.

Neither the agency nor other intelligence bodies could decide to gather such specific information on their own. Decisions on the kinds of data that agencies collect are made by panels of intelligence experts and government policymakers.

Among intelligence officials, there is an issue even more serious than ethics and practicality in economic espionage: whether such secrets could be shared without compromising the exotic means by which they were plucked from the airwaves, or disclosing the particular frequencies or telephone lines from which they were acquired.

"NSA would go bananas if it collected data that wound up being shared with *GE*," said a former intelligence official who is an expert on economic intelligence. "In their business, you don't disclose sources and methods, or your sources start to dry up."

SOFIA: *Communists Win*

(Continued from page 1)

November. Its new leaders declared themselves in favor of multiparty democracy, and the party renounced its leading role in society and renamed itself.

The party's membership has expanded to more than a million in the last several months.

Still, the Socialists face a formidable and united opposition.

Opposition candidates defeated several key Socialist leaders in the runoffs, including General Dobri Dzhurov, who has been defense minister since 1962 and who played a key role in Mr. Zhivkov's downfall.

The parliament, which has an initial 18-month mandate and will function as a constituent assembly and legislature, is slated to be sworn in within a month. A new government is to be formed soon after.

The structure of the next government, at least for now, remained uncertain.

Socialist Party leaders have called for a coalition. Leaders of all the opposition parties, while insisting that they will not enter into any coalition with the Socialists, have voiced support for a "government composed of experts," although they did not say how this would differ from a coalition.

Sofia has been the scene of several protests

At an encampment in the square outside the parliament building, nationalists alarmed that ethnic Turkish deputies will soon take seats in the legislature have begun collecting signatures on a petition.

Outside the royal palace, a group of monarchists continue to seek more signatures on their petition calling for the return of the king, Simeon II, who became a businessman in Spain and Morocco after fleeing the country as a child following World War II.

WORLD BRIEFS

Lithuania Is Putting Off Debate

MOSCOW (Reuters) — The Lithuanian parliament has put off debate on suspending its independence declaration for several days, President Vytautas Landsbergis was quoted as saying Monday.

Mr. Landsbergis told Tass that there were no plans in the next few days for the parliament to consider a moratorium on the declaration during talks with Soviet authorities on the future of the Baltic republic.

The Lithuanian parliament had been due to consider the proposal on Tuesday, with deputies deeply divided. A Lithuanian parliament official said later that deputies representing the pro-independence Sajudis group had decided to put off the debate on the moratorium until next week in order to consult their constituents.

Sri Lanka Vows Total War on Rebels

COLOMBO (Reuters) — Sri Lanka declared total war Monday on Tamil separatist guerrillas waging a weeklong offensive that began with attacks on police and army bases in the north and east. "From now it is all-out war," the deputy defense minister, Ranjan Wijeratne, said in parliament.

Speaking during a debate on extending a state of emergency for another month, Mr. Wijeratne said 600 rebels had been killed since fighting broke out June 11. Unofficial estimates had put the death toll at more than 450, including rebels, members of the security forces and civilians.

Military sources said troops backed by artillery and air cover were sweeping through the east, driving out rebels after the collapse of a fragile cease-fire that began on Saturday. Mr. Wijeratne called on the rebels to "stop the fighting and come to the negotiating table before it is too late."

Iraqi Leader Repeats Threat to Israel

BAGHDAD (Reuters) — President Saddam Hussein of Iraq repeated his threat Monday to mount an all-out attack against Israel if it struck at any Arab state.

But a senior official emphasized that Baghdad would not start a war and wanted to keep its ties with Washington, which had denounced Mr. Hussein's earlier warning.

"We say we will strike them with all weapons we possess if they launch an aggression on Iraq and the Arabs," Mr. Hussein told a conference attended by Muslims from 70 countries. Iraq called the meeting to rally support against Israel and Western critics who voiced outrage over Mr. Hussein's threat in April to "burn half of Israel" with chemical weapons if it attacked Iraq.

Talk of a 2d Libya Toxic Gas Plant

WASHINGTON (AP) — Libya may be building a new chemical weapons factory at a remote underground location hundreds of miles south of Tripoli, officials in the Bush administration said Monday. They added that it was not clear whether construction was complete.

The officials suggested that Colonel Moammar Gadhafi's purpose was to divert some poison gas production from another site at Rabta, even though a purported fire in March at the factory, some 60 kilometers (40 miles) south of Tripoli, evidently was a hoax. "There was little damage, and we're still talking about the possibility of a hoax," an official said. "In fact, that's the only possibility under consideration."

Colonel Gadhafi has said the Rabta plant is a pharmaceutical production factory. U.S. and West German officials have said that it was producing small amounts of chemical weapons and that Libya was on the verge of bringing production up to full capacity.

Death Toll in Ohio Floods Rises to 21

SHADYSIDE, Ohio (AP) — The death toll from the flash floods in eastern Ohio last week rose to 21 on Monday, and authorities said there was little hope that the 16 persons still listed as missing would be found alive.

"It's just been too long," said Chuck Vogt, a coroner's investigator in Belmont County. "I don't think there's anybody alive out there. You can't swim out there that long in the Ohio River."

A body was found Monday in the Ohio River near Moundsville, West Virginia, about 10 miles (16 kilometers) south of Shadyside, officials said.

Panama 'Friendly Fire': 9 Said to Die

NEW YORK (AP) — Nine of the 23 U.S. soldiers who were killed in the invasion of Panama were accidentally slain by their peers, and most of the Americans who were wounded were also probably hit by "friendly fire," Newsweek magazine said.

The apparent reason for the deaths is that the Americans did most of the shooting, Newsweek reported in its issue that went on sale Monday. As many as 60 percent of the 347 U.S. soldiers who were wounded in the Dec. 20 attack were probably hit by fire from their peers, and nine were killed by other U.S. servicemen, Newsweek said.

The magazine also said that the surprise attack was compromised by as many as 15 security leaks. The former Panamanian leader Manuel Antonio Noriega knew the night before the invasion that there was a chance the United States would attack, Newsweek said. The magazine also said that President George Bush approved plans for the invasion in November.

TRAVEL UPDATE

EC Liberalizes Airline Competition

LUXEMBOURG (AP) — The foreign ministers of the 12-nation European Community adopted a broad and complex package of measures on Monday to increase competition among airlines within the Community starting Nov. 1.

One of the measures will give the airlines greater freedom to set fares without government intervention. The package follows a first set of measures, adopted in 1987, to break up government monopolies.

The new measures are to run until Jan. 1, 1993, when the Community is due to become a single market. They apply only to the 12 EC nations. But the foreign ministers agreed to open negotiations with Sweden and Norway, both non-EC members, to extend the package to them as well.

Greek-Yugoslav Border Reopened

ATHENS (AP) — Greece and Yugoslavia ended a border squabble Monday by agreeing on foreign exchange and visa requirements. Earlier each countries had accused the other of obstructing traffic across the border.

The Greek and Yugoslav commanders at the Evzonon-Gevgelija border post agreed to demand visas and a minimum of 2,000 Deutsche marks ($1,180) from travelers. Greece had protested to Yugoslavia and the European Community after Yugoslavs closed the border between the two countries for several hours Monday. Many Yugoslavs demand that Greece recognize what they say is a Macedonian ethnic minority in Greece; Greece says there is no such minority.

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	28	82	17	63	fr
Athens	—	—	—	—	na
Barcelona	24	75	18	64	fr
Belgrade	24	75	12	54	fr
Berlin	22	72	10	50	fr
Brussels	21	70	13	55	fr
Budapest	24	75	11	52	fr
Copenhagen	18	64	10	50	fr
Costa Del Sol	29	84	18	64	fr
Dublin	13	55	12	54	r
Edinburgh	16	61	12	54	r
Faro	27	70	14	57	fr
Florence	26	79	—	—	fr
Frankfurt	18	64	10	50	fr
Geneva	18	64	14	57	fr
Helsinki	11	52	7	45	fr
Las Palmas	24	75	19	66	fr
Lisbon	23	73	14	57	fr
London	18	64	12	54	r
Luxembourg	19	66	12	54	fr
Madrid	25	77	15	59	fr
Milan	21	70	17	63	r
Moscow	20	68	8	46	fr
Munich	22	72	9	48	fr
Nice	23	73	18	64	fr
Oslo	15	59	6	43	fr
Paris	22	72	15	59	fr
Prague	25	77	9	48	fr
Reykjavik	12	55	10	50	r
Rome	23	77	—	—	fr
Stockholm	13	55	4	39	fr
Strasbourg	20	68	12	55	fr
Venice	24	75	16	64	fr
Vienna	25	77	11	52	fr
Warsaw	21	70	8	46	fr
Zurich	21	70	13	55	fr
MIDDLE EAST					
Ankara	15	59	12	54	fr
Cairo	30	86	22	72	fr
Istanbul	21	70	14	61	fr
Jerusalem	21	70	14	57	fr
Tel Aviv	26	79	19	66	fr
OCEANIA					
Auckland	—	—	—	—	na
Sydney	14	57	8	46	sh

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	27	81	fr
Beijing	31	88	22	72	fr
Hong Kong	29	84	25	77	sh
Manila	31	88	23	73	fr
New Delhi	41	106	28	82	fr
Seoul	24	75	19	66	r
Shanghai	30	86	24	75	r
Singapore	33	91	27	81	r
Taipei	32	90	27	81	sh
Tokyo	30	86	22	72	r
AFRICA					
Algiers	28	82	17	63	fr
Cape Town	18	64	14	57	fr
Casablanca	22	72	19	66	fr
Harare	22	72	14	57	fr
Lagos	31	88	21	70	fr
Nairobi	—	—	—	—	na
Tunis	36	96	19	66	fr
LATIN AMERICA					
Buenos Aires	20	68	10	50	fr
Lima	17	63	15	59	r
Mexico City	27	81	13	55	fr
Rio de Janeiro	22	72	18	64	r
NORTH AMERICA					
Anchorage	14	61	9	48	sh
Atlanta	34	93	22	72	fr
Boston	21	88	19	66	r
Chicago	29	86	16	61	fr
Denver	34	93	15	59	fr
Detroit	32	90	20	68	fr
Honolulu	30	86	23	73	fr
Houston	35	95	24	75	fr
Los Angeles	28	82	17	63	fr
Miami	32	90	24	75	fr
Minneapolis	30	86	17	63	fr
Montreal	30	86	18	64	fr
Nassau	34	93	24	75	fr
New York	32	90	20	68	fr
Phoenix	44	111	27	81	fr
San Francisco	22	72	11	52	fr
Seattle	22	72	11	52	fr
Toronto	29	84	16	61	r
Washington	34	93	21	70	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

TUESDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Cloudy. Temp. 22 — 13 (72 — 55). LONDON: Showers. Temp. 19 — 14 (66 — 57). MADRID: Thunderstorms. Temp. 30 — 12 (86 — 54). NEW YORK: Partly cloudy. Temp. 29 — 18 (84 — 64). PARIS: Showery. Temp. 20 — 13 (68 — 55). ROME: Fair. Temp. 27 — 13 (81 — 55). TEL AVIV: Not Available. ZURICH: Cloudy. Temp. 24 — 12 (75 — 54). BANGKOK: Showers. Temp. 33 — 26 (91 — 79). HONG KONG: Showers. Temp. 31 — 26 (88 — 79). MANILA: Cloudy. Temp. 32 — 25 (90 — 77). SEOUL: Rain. Temp. 22 — 18 (72 — 64). SINGAPORE: Fair. Temp. 33 — 26 (91 — 82). TOKYO: Fair. Temp. 29 — 23 (72 — 64).

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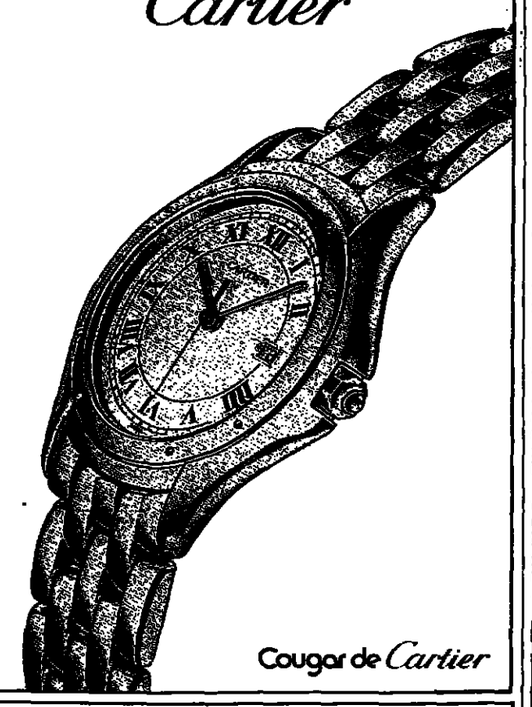

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Creating Life in the Lab: Boston Biologist Cooks Up His Own Primordial Soup

By William Booth
Washington Post Service

BOSTON — Jack Szostak is no Dr. Frankenstein, but if he succeeds in his work, the soft-spoken biologist may be the first to create life in the laboratory.

Mr. Szostak and his colleagues at Massachusetts General Hospital plan to manufacture not a hulking monster with electrodes in his neck, but nature's most elemental unit of life: a cell.

Their cell, to be built almost from scratch in the next year or so, will not be very sophisticated. Little more than a fat bubble containing bits of genetic material, Mr. Szostak's creations will be so simple and primitive that some rival researchers say it would be almost hyperbolic to call them life.

"I think it's a perfectly neat thing to do, but really, calling them cells?" said Norman Pace of Indiana University. "It's probably more tongue-in-cheek than anything else."

But Mr. Szostak is not kidding, and he is not alone. There are at least three major scientific groups in the United States trying to create life in the laboratory.

Mr. Szostak is convinced that his cells will be alive. They will replicate. Just as important, they will be plaything for the forces of natural selection. As such, Mr. Szostak believes his little cells could evolve into more complex beings.

The work is designed to address some of the questions of how life originated: How simple can life be? And what might the first forms have looked like as they began their long journey toward complexity?

Mr. Szostak and his colleagues are trying to reduce biology to its simplest ingredients.

In essence, Mr. Szostak's recipe for life is as follows:

Fat.

Water.

Spermidine (a ubiquitous but somewhat mysterious compound first detected in human sperm).

A special segment of RNA from a protozoan called *Tetrahymena thermophilia*.

Modify the RNA slightly. Set aside. In a separate bowl, mix the other ingredients. Add RNA.

Allow soup to sit while fats self-assemble into membranes that curl up into cell-like bubbles, encapsulating bits of RNA, water and spermidine. These are the cells.

Replenish periodically with small bits of RNA, which serve as food for the new cells. Shake vigorously to make cells divide.

Repeat feeding and shaking. Check occasionally for evolution.

The central ingredient in Mr. Szostak's cells is the RNA, or ribonucleic acid, which many scientists believe was the first master molecule of life, contained in the original cells that arose from the primordial soup 4 billion years ago.

Today, the master molecule is the similar but more complex deoxyribonucleic acid, or DNA. But in the beginning, DNA's more primitive ancestor may have reigned supreme.

Why wasn't DNA the first molecule of life? All cells living today rely on DNA to act as their genes, carrying the instructions for making various kinds of proteins, the workhorses of life.

But there is a hitch. To replicate itself — an essential step in the reproduction of life — DNA needs proteins. It needs certain kinds of proteins to act as enzymes that carry out the DNA replication. So scientists who study the origin of life are faced with a paradox: Which came first, the chicken or the egg? DNA or proteins?

RNA offers an answer. A few year ago, Tom Cech of the University of Colorado discovered that RNA was capable of doing more than its job of carrying a set of instructions from the DNA in the cell's nucleus to its factory floor.

Mr. Cech found that a bit of RNA from a certain protozoan, or one-celled organism, could also act like an enzyme, cutting up pieces of RNA and splicing the ends together again. For this, Mr. Cech won a Nobel Prize last year. The RNA enzymes are called ribozymes.

Mr. Szostak is working with the same segment of RNA that Mr. Cech discovered. However, he and his group modified the RNA, so that instead of cutting and splicing, the ribozyme would only splice. Using itself as a pattern, Mr. Szostak believes his modified RNA could take subunits of RNA, which he would feed his cells as a kind of food, and splice them into copies of itself.

RNA, like DNA, is made of four different kinds of subunits that can be chained in any sequence to any length. Mr. Szostak's ribozyme would use its own special sequence as a template to dictate the sequence in which to splice new subunits.

All this activity would be happening inside bubbles of a special kind of fat — the same kind of fat that forms the membranes around all living cells. Scientists who study special fatty acids called phospholipids have learned they can do a trick. When simply dumped into water, the lipids aggregate to form thin, impermeable sheets and bubbles called vesicles.

"Take a breakfast egg and extract phospholipid out of it and place the lipids in water and you'll get little vesicles," said David Deamer of the University of California at Davis. "You'll get a primitive cell system."

Mr. Deamer, who is also working to create life in the lab, has found that meteorites contain all the ingredients needed to make membranes, adding credence to the idea that the basic building blocks of life were ferried to Earth from space.

Once Mr. Szostak gets his RNA inside a membrane, and once he gets his RNA to make copies of itself, he is close to his definition of life. But he must still figure out a way to get the cells to fuse and spill their contents into one another. He also must devise a way of encouraging his cells to divide.

In the primitive world, he speculates, the first cells probably could not divide on their own. They needed help from nature: from crashing waves, lightning bolts, hot geysers.

Mr. Deamer believes that cells in the lab can be made to fuse and separate by drying and wetting them, mimicking the cycles of a tidal pool. Mr. Szostak is considering shaking his cells to mimic wave action or pushing them through a sieve, which would break them into smaller vesicles.

"If we could create a system that would begin to run autonomously and replicate itself, then a lot of people, myself included, would say it's alive," said Gerald Joyce of the Research Institute of the Scripps Clinic in La Jolla, California, another leading contender in the race to create life in the lab.

Mr. Szostak, Mr. Joyce, Mr. Deamer and others maintain that their primitive cells would evolve over time, producing new cellular machinery. This would happen because as the RNA copied itself, it would make mistakes. Some of these mistakes would be improvements. The cells with new and improved RNA would reproduce more prolifically and replace the losers. Given a few million years, and enough funding, Mr. Szostak and his colleagues say that they could rerun evolution on Earth.

Marcy Nighswander/The Associated Press

CALLS FOR CHANGE — About 850 black students and civil rights leaders marching in Washington, starting a week of action for better education opportunities.

New Slant From the Armchair

'Interactive Television' Allows Viewers to Participate

By Andrew Pollack
New York Times Service

NEW YORK — New television services that capitalize on computer technology are beginning to allow viewers to become more involved in what they watch, either by controlling what is seen on the screen or by becoming armchair participants in game shows or sporting events.

In Montreal and in Springfield, Massachusetts, some viewers of an experimental cable television service have been able to select from among camera angles when watching a football game or a concert.

In Sacramento, California, about 150 households are testing a system that allows viewers to play along with quiz shows like "Jeopardy" or "Wheel of Fortune" using small computer terminals. When it is fully operational, viewers will compete for prizes against other viewers, with scores tallied at the end of the show and compared, although not on the air.

One California company already has a system in about 400 bars in which customers compete for prizes by predicting, for example, what plays the quarterback will call in a broadcast football game. Under an agreement with National Football League Properties, announced recently, the system is expected to be in homes nationwide by next year.

Another company is developing a program in which a vote by viewers would determine the outcome of a mystery show.

All this is known as interactive television, and it can transform viewing from a passive experience into one in which people are actively involved.

"You've just created a whole additional dimension to television," said Thomas S. Rogers, president of NBC Cable and head of business development for the network.

But many skeptics think such television programming will not catch on.

"Most of the time, what the individual wants to do is sit back and relax," said Russell Neuman, who studies audience response to new video technologies at the Media Lab of the Massachusetts Institute of Technology.

The new services are being developed and tested in various cities by a handful of small companies. But major television companies and advertisers are closely watching the developments.

One company, Interactive Network Inc. of Mountain View, California, has attracted wide financial backing.

The technology of another company, the New York-based ACTV Inc., is being evaluated for its advertising potential by McCann-Erickson, an advertising agency.

The skeptics have history on their side.

Two-way television, as it was once called, was tried in the early 1980s, most notably in the Qube cable television systems in Columbus, Ohio, and other cities owned by Warner Amex Cable, a joint venture of Warner Communications Inc. and American Express Co. By touching buttons on a keypad, viewers could play along with game shows, order merchandise and answer polls.

But Qube failed because its programming was judged not compelling and its prices were considered too high.

Today, some executives and analysts think the new systems have a better chance of succeeding for a number of reasons.

For one, Qube used expensive technology in which viewers' choices were sent back to the studio via the two-way cable that distributed the programs to homes. The new services use more inexpensive telephone lines to relay signals from the home back to the studio, either through a modem that conveys computer data or by having the viewer push the buttons of a telephone.

The real promise of interactivity, some people in the industry say, is the ability to provide services that would allow users to interact with a program, rather than just choose a particular program.

ACTV has a system being sold to cable television customers in Montreal and recently tested in Springfield, Massachusetts, that allows viewers to pick among four video channels showing different views of the same event.

In watching a sports event, for instance, viewers can choose their own camera angle.

A College Degree: Don't Look for Work Without It

By Louis Uchitelle
New York Times Service

NEW YORK — Hundreds of thousands of jobs, once performed creditably without a college degree, are increasingly going to college graduates, as American employers take advantage of an oversupply.

They are found more and more among the nation's bakers, traveling salesmen, secretaries, bookkeepers, clerks, data processors and factory foremen.

And they are shutting out qualified high school graduates from jobs, according to the Labor Department, officials, corporate executives and economists.

Many once simple jobs have grown complex, in large part because of new technologies, but the more important reason for the trend toward college graduates is that there are so many of them.

At roughly 25 percent of the work force — higher than in any other industrial nation — college graduates outstrip the demand for their skills.

And the proportion of college graduates in the work force is continuing to increase.

Given this oversupply, many experts including the authors of a report on the American work force being released Monday, said employers were reluctant to gamble on high school graduates.

In an age when public schools are accused of turning out many illiterates, corporate America has come to rely on the college degree as the safest guarantee an applicant has the skills, discipline and maturity to tackle a job.

"The college degree, or even the evidence of having participated in college, has become the nation's major form of job certification," said William B. Johnston, a research fellow at the Hudson Institute.

"It is a rather expensive and extravagant sorting mechanism, to send people off to schools to learn skills that might not be necessary for work, but it is all that we have right now," he said.

> **'The college degree, or even the evidence of having participated in college, has become the nation's major form of job certification.'**
>
> **William B. Johnston, the Hudson Institute**

The trend has devalued both the college and the high school degree, particularly eroding the value of the high school degree, which has helped to open a huge gap between the incomes of the college educated and the high school educated.

Many recent studies show that the standard of living of the high school graduate fell in the 1980s for the first time since World War II, while the college graduates' standard of living, or real wage, rose by nearly 8 percent.

No other industrial nation has such a wide wage gap between the two groups.

That wage gap has helped to spur more high school graduates to go to college.

For decades only 50 percent had continued education after high school, but since 1982 the number has risen precipitously to nearly 59 percent — assuring the nation of a plentiful supply of college graduates for its job needs into the 21st century, according to Labor Department projections.

Russell Rumberger, a professor of education at the University of California at Santa Barbara estimated that the pool of college graduates exceeded by about 15 percent the need for their skills in professions that require college training, among them engineering, accounting, law and medicine.

The wage inequity and the preference for college graduates have prompted studies to determine what qualifications the high-school educated, dropouts and graduates possess.

The Commission on the Skills of the American Workforce, in its report being released Monday, found that 80 percent of the 400 employers interviewed said the appeal of educated workers lay not with specific skills they acquire school.

Work skills can be taught on the job, they said, but education was associated with the notion that having a degree meant a person also had such qualities as punctuality, good work habits and the ability to learn on the job.

For many employers the four-year college education has become the proxy for these qualities, said Curtis E. Plott, executive vice president of the American Society for Training and Development, whose members are mostly corporate officers.

All these findings contradict widely held perceptions about the American work force.

One is that the United States has a shortage of skilled workers, making it unable to be competitive with other nations' industries, a shortage that is blamed primarily on a deficient public school system that turns out young people so poorly educated that they are untrainable.

In fact, according to Ronald Kutscher, a Labor Department official, the skill shortage has yet to materialize, except in a few areas, such as nursing and medical technicians.

New York Telephone Co. contributed greatly to the notion of a nation of unschooled young people by reporting in 1987 that out of 90,000 applicants for jobs there, 84 percent had failed a basic literacy and math test.

Unnoticed was that the people were mostly applying for low-wage, temporary jobs.

When American Telephone & Telegraph Co. gives a similar test to applicants for full-time clerical or operator jobs, positions that include health and pension benefits, the rate of passing is much higher, said Mary Tenopyr, the company's director of employee testing and selection.

U.S. Backs Out of French-Soviet Space Test

Washington Post Service

WASHINGTON — Two months after President George Bush announced that the United States would "seek an exploratory dialogue" with the Soviet Union and other nations about increasing space cooperation, NASA has backed out of a U.S.-French experiment that was to fly aboard a 1994 Soviet mission to Mars.

The action, which officials attributed to lack of money, has rekindled old charges that the United States treats its international space science partners shabbily.

The French originally planned to provide an instrument designed to measure the mineral content of the Martian surface. But about 18 months ago, officials suggested to the Soviets that they fly a U.S. version instead.

The French resisted but, early last year, were persuaded by the Soviets to enter an arrangement with the Americans in which scientists from both countries would manage the $50 million project, combining hardware from both instruments. The U.S. version was VIMS, Visual Infrared Mapping Spectrometer. The French called theirs Omega.

"Now NASA has pulled the rug out from under both the French and the Russians," said Louis D. Friedman, of the California-based Planetary Society, which is heavily involved in the unmanned Soviet Mars mission. The U.S. decision was revealed in a letter June 5 from Lennard A. Fisk, NASA's chief scientist, to Jacques Breton, director of the Centre National d'Etudes Spatiales.

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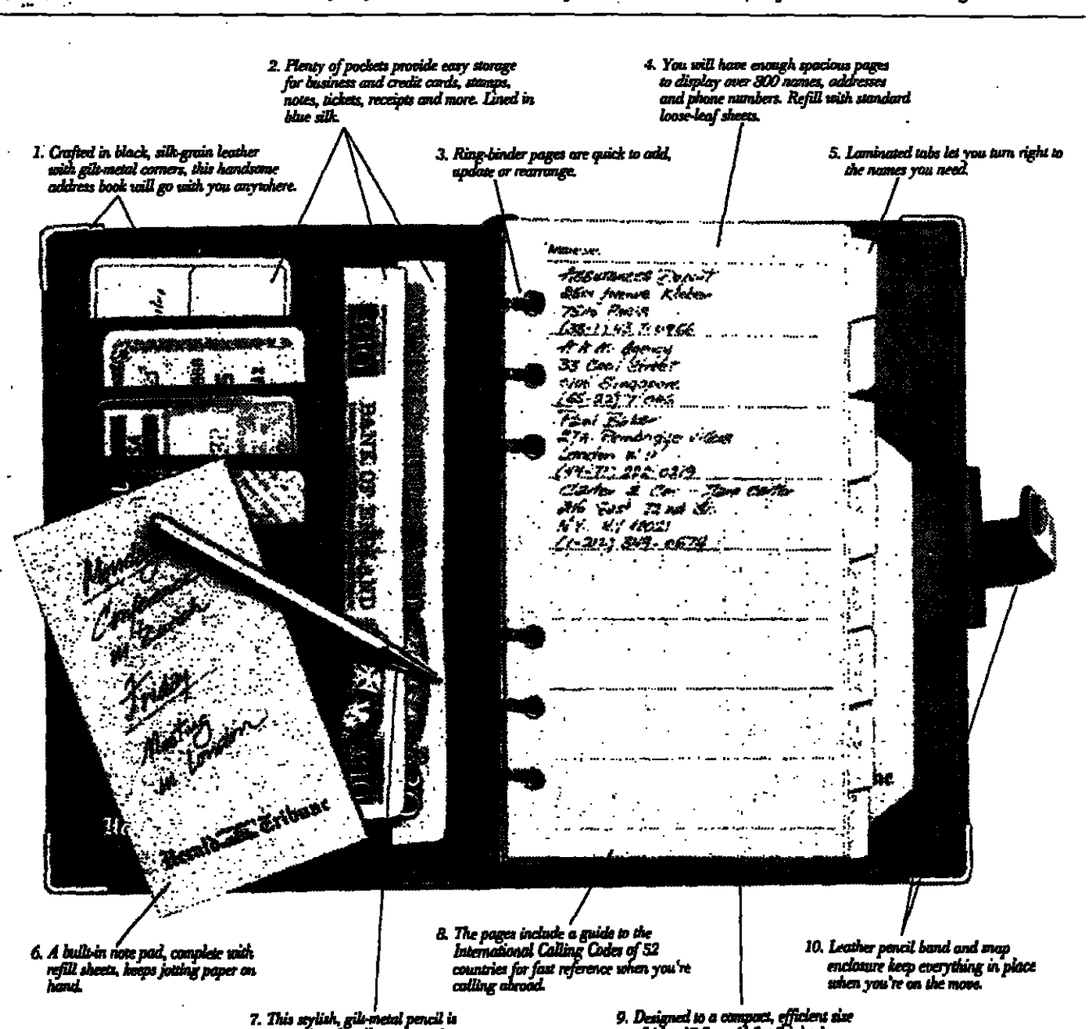

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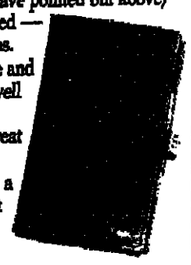

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OPINION

To Make Europe Secure

Now that President Mikhail Gorbachev has reconciled himself to a united Germany in NATO, he still must find a new place in Europe. And his newly independent neighbors in Eastern Europe need a sense of security. A collective security pact for all of Europe could meet both these needs.

As the Warsaw Pact disbands, Moscow grows ever more nervous about its future in Europe. Hungary, long a Soviet satellite, now hints that it wants to follow Germany into NATO. But that would isolate Moscow even more and do nothing to promote long-term stability. A collective security pact that binds all states against any aggressor would be preferable to alliances that commit some states to oppose others. The idea is being talked about across Europe, and it merits the Bush administration's careful attention.

Eastern Europe is really Middle Europe, the countries caught between Germany and Russia. These states have enjoyed periods of precarious independence, but never independence with security. That is why some Warsaw Pact members want to preserve the old alliance in some measure. Poland has invited the Red Army to remain at least until it gets border guarantees from Germany. Czechoslovakia's president, Vaclav Havel, wants the Warsaw Pact transformed into "a treaty of sovereign states, with equal rights, formed on a democratic basis." That would give the Soviet Union a place among its neighbors.

But uneasy as Poland and other states are about a powerful Germany's renewed push to the east, they do not see Germany as a military threat, and they are not about to spurn Germany's economic advances. In any event, having endured the suffocating embrace of their Soviet ally for 40 years, most are not yet ready to link arms again.

Another alternative might be a form of armed neutrality, like that practiced by Finland and Sweden for 45 years. But armed neutrality is not very attractive in Eastern Europe. Instead there is a good deal of talk about a collective security pact among all 35 members of the Conference on Security and Cooperation in Europe, or at least among the 23 in NATO and the Warsaw Pact. Such a pact could commit signatories, the United States and the Soviet Union included, to impose sanctions on and take up arms against aggressor states. It would also meet Mr. Gorbachev's need for a place in Europe.

What would such an arrangement look like? A new European Security Council could be established, perhaps in Berlin. Through periodic meetings of permanent representatives from the member countries, the council could, for instance, verify the treaty now being negotiated to reduce conventional arms. It could mediate disputes and provide peacekeeping forces to separate the contenders. The history of collective security is not very reassuring, but perhaps this is the time and the place to try again. The idea offers an interesting way for George Bush to assure that his victory on a united Germany in NATO does not dangerously isolate the Soviet Union.

— THE NEW YORK TIMES.

Be Careful in Kashmir

The risk of war between India and Pakistan has drawn anxious world attention, and with good reason. Consider the fact of heightened tensions over Kashmir between states that have already gone to war three times (twice over Kashmir) and the even starker fact that both states could end up fighting with nuclear arms. The recent mission to the area by a White House aide, Robert Gates, did seem to help each to pay closer attention to military steps troubling to the other, as well as to better understand foreigners' concern. A certain welcome back-from-the-brink relief is now evident on the South Asian scene.

It would be foolish, however, to conclude that the crisis has passed. Its source, the 40-year dispute over Kashmir, remains untreated by political conciliation or international mediation. Its recent aggravation, by Indians repressing Kashmiri militants and Pakistanis encouraging them, goes on. Under the slight relative improvement visible on the surface of Indian-Pakistani relations lies a churning conflict in Kashmir that could yet explode.

No one has come up with a practical plan to assure Kashmiris even the element of choice of whether to join India or Pakistan that Kashmir's Hindu ruler preempted when he took his Muslim-majority state into India at the time of decolonization in 1947. Nor was Pakistan slow to exploit Indian political lapses in Kashmir in the mid-1980s by arming a separatist minority. But the Indians' harshness and brutality in response may have helped turn what they describe not as Kashmiri nationalism but as "Islamic fundamentalism" into a majority cause. They have barred international human rights observers and journalists, insisting that Kashmir is an internal matter. But reports persist of killings in the hundreds, detentions in the thousands, torture and other pervasive police abuses.

The Kashmir issue is embedded deep in the psyches and politics of the two countries and does not lend itself easily to being plucked out for isolated treatment. Certain things are essential and feasible, nonetheless, in addition to continuing efforts to ease the larger state-to-state confrontation. In Kashmir, India must lighten its hand and find ways to widen the realm of popular choice. Pakistan must ease off its policy of using the ethnic issue to offset India's overall advantage in power. The two countries are playing with the lives of Kashmiris and the life of their home.

— THE WASHINGTON POST.

Khomeini's Ghost in Iran

Ruhollah Khomeini died just over a year ago but his gloomy spirit survives. It dominates his feuding successors, who want the benefits of better relations with the West without truly departing from his harsh line. They resist freeing remaining hostages in Lebanon. They are accused of sending gunmen abroad to kill troublesome exiles. And they have reconfirmed the ayatollah's death threat against Salman Rushdie for writing a novel that "insulted Muslim sanctities."

Disgracefully, some Westerners have joined in paying tacit obeisance to Ayatollah Khomeini's ghost. With Mr. Rushdie still in hiding, his British publisher has suspended plans for a paperback edition of "The Satanic Verses," claiming that it might jeopardize the release of hostages. The author cannot find a willing publisher for works in progress. Honors for courage in this affair lie with its victim. Mr. Rushdie has stood his ground with dignity, defending every author's right to publish books that ask troubling questions and open doors to the mind.

Devout Muslims found Mr. Rushdie's attempt to open those doors offensive. They have every right to denounce his novel, but they offend civilization when they clamor for his death. That distinction is well understood by the British government, which has been notably firmer in Mr. Rushdie's defense than the Labor Party. Mr. Rushdie has ruefully remarked that Labor, a party he has always voted for, seemed more concerned with placating Islamic voters than with defending free expression. That, he says, is "a dangerous game."

Not only writers are in danger. A month ago in Geneva, an Iranian exile, Kazem Rajavi, was killed by gunmen. The victim was the brother of Massoud Rajavi, head of the Mujahidin Khalq, an Iranian opposition group. Another senior figure in the same group was shot in Turkey in a highway ambush. The most likely culprit is the same regime that threatens Mr. Rushdie.

Alas, Iran without the ayatollah seems trapped in his shroud. And Western deference to his death threats against a British subject can only encourage other foreign vendettas by his angry heirs.

— THE NEW YORK TIMES.

Unknowns in Liberia

It is one of the enduring American embarrassments in Africa that the country with which the United States is most closely and lengthily associated has seen such misery and misrule. Known since the 19th century for having been founded by former American slaves, favored anew in the postwar decades for its strategic and political accessibility, Liberia long languished but seemed due for better days in 1980 when a young master sergeant, Samuel K. Doe, threw out the ruling Americo-Liberian elite. By his corruption, brutality and despotism he soon earned mention in the same breath with Idi Amin and Jean Bedel Bokassa. In rigging the 1985 elections he aggravated previously manageable tribal differences and paved the way for the vicious civil war that has been further wasting the country for the past six months. A second charter aircraft of nervous American citizens flew out of Monrovia Sunday night, and U.S. Marines are off shore.

The leader of the insurgent forces, Charles Taylor, professes to be more deeply committed to democracy than President Doe. But Mr. Taylor, who escaped from an American jail, where he was being held on charges of embezzlement from a Liberian government agency, is not yet a proven contender. Representatives of the two are talking in neighboring Sierra Leone under the anxious eye of Liberian churchmen.

Both sides are eager somehow to use the weight of the United States to their advantage. Washington is resisting being drawn in. American responsibility for Liberia's misfortunes may be considerable, but the American record in setting its affairs straight is awful. This time the way of wisdom is not to jump in with a major aid package but to wait for hard evidence that Liberia is actually going democratic. The international agencies ought to take the brunt of the foreign development burden. In Eastern Europe and elsewhere in recent years, international election consultants and monitors have proved useful in starting up would-be democracies. Monitors, unfortunately, are no substitute for a democratic tradition, working political structures within the country and civic commitment on the part of the people.

— THE WASHINGTON POST.

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Baker Should Stay on the Middle East Peace Case

By Jim Hoagland

PARIS — What is Jim Baker, reputedly the swiftest political operative in Washington, doing in the middle of the awful mess known as the Middle East peace process? The right thing, as far as I can tell. But that may not be enough.

The secretary of state has invested his prestige and energy in trying to prevent a devastating cross-border explosion of violence. That is the right thing; but he gets no help from those he tries to help. Instead he has to duck brickbats thrown at him by vengeance-minded Palestinians and Israelis.

The result could turn out to be the worst of all worlds — a U.S. policy without significant influence with the Palestinians or with the Israelis, and a slide toward the most serious threat of a general Arab-Israeli war since 1973.

Arafatists will blame Mr. Baker for not pushing Israel hard enough. Shamir-Sharonists — followers of the new, two-pronged political leadership of Israel — will say the Americans pushed Israel too hard. Blaming Mr. Baker is easier for them than acknowledging that leaders on both sides failed to honor undertakings they gave to the United States; easier than admitting that these leaders prefer the status quo to seeking peace.

There have been some U.S. missteps, but President George Bush and Jim Baker did not create this dangerous stalemate. They saw it developing and sought to head it off. They were right, and unable to prevent what they feared. Their efforts deserve more credit than censure at this point.

Until he was slamdunked back into the Middle East swamp, Mr. Baker had had a remarkable six-month run of successful East-West diplomacy. He proved in that time that he is far more than a cagey deal-maker and a ruthless political manager.

He has emerged as the most active and decisive member of Mr. Bush's foreign policy team on big issues. It was his decision to design a formal diplomatic negotiating structure for German unification (the so-called two plus four process) and to put it rapidly in place when he saw that unification was happening willy-nilly as East Germany collapsed.

And it was Mr. Baker who turned to Mr. Bush at the crucial White House meeting during the summit and urged him to agree to Mikhail Gorbachev's urgent pleas for a trade accord, despite the Lithuanian crisis. He needs it, Mr. Baker said, and the politics of it on Capitol Hill will work out.

Mr. Baker's diplomatic judgment appears to have been vindicated by Mr. Gorbachev's subsequent decision to open a direct dialogue with the leaders of the Baltic republics. His political judgment bore fruit when House Democratic leaders Richard Gephardt and Tom Foley pledged to support Mr. Bush on the trade accord in a White House meeting immediately after the summit ended.

Why have things have gone so badly in the Middle East when they have gone so well elsewhere? The dichotomy suggests that the stalemate is due more to the intractability of the region's conflicts than to Mr. Baker's diplomacy.

He plunged into the uninviting waters of Middle East diplomacy in part because he was intrigued by the possibility of a deal. An American who has talked with him at length during the past year says he became fully engaged during foreign policy conversations only when speaking of the Middle East.

But the challenge Mr. Baker sensed 18 months ago has given way to weariness and frustration. He let this show in his testimony before the House Foreign Affairs Committee last Wednesday in a watershed performance by a major American political figure. He made clear his feeling that Israel's current leaders are not interested in peace, while seeking ways to continue the U.S.-PLO dialogue started under the Reagan administration.

Mr. Baker's keen political instincts are said to be attuned to an eventual run for the presidency. How then can he risk appearing to be lenient on the Palestinians and severe with the Israelis, all the while breaking his pick on peace negotiations? One reason obviously is that Mr. Bush wants him to do it. The president is deeply concerned about escalation of the intifada and its impact on Arab regimes. He pushes Mr. Baker back into the morass each time Mr. Baker threatens to wash his hands of it.

Another important factor is the political calculation that Mr. Baker has made: He and Mr. Bush feel that they owe nothing politically to the Israelis or to their supporters in the United States. After an eight-year honeymoon between Israel and the United States during the Reagan administration, American Jews voted decisively against Mr. Bush in 1988. He cannot count on them for 1992; more importantly, he does not appear to feel that he needs them.

Those two factors alone do not explain the tenacity and grit that Mr. Baker has shown in handling this toughest of all his dossiers. I think the still incomplete Baker transformation that has been in the works for the past six months, from deal-maker to statesman in chrysalis, also keeps him on the case. He should not walk away in frustration from a crisis that needs all the statesmanship it can get.

The Washington Post.

Middle Eastern Dominoes Could Fall in the Storm

By Hassan bin Talal

The writer is crown prince of the Hashemite Kingdom of Jordan.

AMMAN — It is not enough for George Bush and Mikhail Gorbachev to consolidate détente between the Soviet Union and the United States. They need also to demonstrate a fresh concern for the welfare of the Middle East — a concern that regrettably was not displayed in their Washington summit. They must not allow the Mideast to be marginalized. Continued conflict in our region threatens the existence of a rational global order.

The fair resolution of the Palestine issue should become a peace item on the international agenda. This issue must not be allowed to be usurped by a fixation — especially in the West — on revolution and terrorism.

Unfortunately, the Arab consensus continues to be thwarted by various forces. Moderate Arabs were dismayed by the recent U.S. veto in the United Nations Security Council on international supervision and the observation of the outrages committed in the name of security in the occupied territories. It is important to emphasize the desirability of an international peace conference, with the participation of the superpowers and the sponsorship of the UN Security Council.

We can hardly afford to wait until the Arabs and Israelis make suitable compromises that would bring them to the negotiating table. They must be prodded to talk to each other, and induced to reach out not only to each other but also collectively to grasp new opportunities for a lasting peace.

The fashioning of political rapprochement — "peace" — between Arabs and Israelis will surely translate into something they need just as badly: equitable economic development in the region, particularly in those countries that are not blessed with rich natural resources such as oil.

Israel has paid a heavy economic price to ensure its survival. The Arab-Israeli conflict has similarly imposed heavy demographic and economic burdens on Jordan. After Israel's budget deficit fell from 30 to 11 percent of GDP between 1985 and 1988, it rose last year to nearly 40 percent. The country's high defense expenditure demands diversion of much-needed funds from domestic development, a situation also experienced by Jordan and other Arab states desirous of regional peace.

For Jordan, a country of barely 3 million people, to be spending $600 million annually on defense — or 16 percent of GDP — is simply untenable. The Six-Day War of 1967 represented a loss of 40 percent of Jordan's GNP and the acquisition of more than 400,000 refugees on account of Israel's occupation of the West Bank. The sharp drop in assistance from oil-producing Arab countries from $1.2 billion in 1981 to less than $400 million today has pushed resource-poor Jordan deeply into debt.

Contributing to our economic problems has been the decline in commodity prices, although we have made every effort to streamline the phosphate industry. As the revenues of our oil-producing neighbors declined, remittances from expatriate Jordanians in the Gulf, the primary source of private-sector foreign exchange, have dropped more than 20 percent in the last three years to less than $800 million. Meanwhile, Jordan's total external debt has risen from $3.5 billion in 1984 to nearly $8 billion.

We have labored mightily to comply with recovery guidelines established by the International Monetary Fund, but there is a limit to how much pain and deprivation we can impose on our already burdened people.

The intifada, which started in December 1987 in the West Bank and Gaza, has resulted in Palestinians liquidating more than $250 million worth of Jordanian dinars held by them as cash reserves. Such liquidation has no doubt propped up the Israeli economy, but Jordan has suffered heavily as a result.

It may be useful for all parties in the region to be mindful of the dangers posed by an expanding fundamentalist movement that is rapidly winning converts among our restless and unemployed young. This movement, influential in Muslim societies from Southeast Asia westward through Afghanistan to Lebanon and Morocco, may yet touch the intifada.

Unless peace prevails, there will be a different kind of war, a war that knows no territorial or national boundaries. It will be a war not between nation-states but against the nation-state. The aim of this war would be to reduce national entities to their socio-ethnic components. Its only triumphant residue would be politico-religious fundamentalism — Islamic, Christian and Jewish.

The Gulf, Palestine and Lebanon are only the flash points. This war, if uncontained, could extend from Cairo to Islamabad and beyond. We would then witness the ethnic Lebanonization of our region.

The domino theory is alive and kicking in the Middle East. But this time the threat is from fundamentalist fanatics, and it will annihilate moderate and secular-minded societies.

Jordan believes that while the two superpowers must assume greater responsibility in expediting the peace process, there must be greater regional economic cooperation to provide political stability and enhance the peace constituency in the Arab world. Presidents Bush and Gorbachev can strengthen their reputations as peacemakers by renewing their commitment to ending the generations-old conflict in the Middle East.

Since the Israeli settlements in the occupied territories violate international law, the United States and Europe should predicate their subsidizing of the emigration and resettlement of Soviet Jews on the freezing by Israel of all settlement activity in the occupied territories. They can do much to ameliorate this difficult situation by increasing annual quotas for Soviet Jews to settle in their own countries.

The Washington Post.

Panama: Overkill Plus a Weak Case

By Tom Wicker

NEW YORK — As indications of brutal U.S. overkill in the illegal invasion of Panama keep turning up, the Bush administration is mounting only a weak case against the invasion's prime target, the alleged drug kingpin Manuel Antonio Noriega.

This is a case that the administration cannot afford to lose. President George Bush needs a Noriega conviction to bring some faint color of legitimacy to an invasion that resulted in at least four times more Panamanian civilians killed than Panamanian soldiers. Yet the evidence against Mr. Noriega is so weak, it now appears, that government prosecutors may be resorting to dubious, if not unconstitutional, tactics to get a guilty verdict.

Even if they get it, the former general may be convicted only of relatively minor drug charges, scarcely validating the use of 24,000 U.S. troops (26 dead, more than 300 wounded) against a sovereign country in order to capture one man.

U.S. officials have seized Mr. Noriega's assets, totaling about $20 million, alleging that all were illegally gained and hence can properly be "frozen." Defense lawyers maintain that $11 million — a sum disputed by the prosecution — was honestly earned, including CIA and other U.S. payments.

The defense argues that Mr. Noriega cannot pay for a fair legal defense — estimated to cost $5 million. Judge William Hoeveler, agreeing that the government is in effect depriving Mr. Noriega of his right to counsel, has ordered officials to justify seizure of his assets by proving that all were illegally earned.

Defense attorneys also claim that prosecutors have not granted them access to all Mr. Noriega's papers that were seized during the invasion; and they charge that documents possibly showing U.S. complicity with him in some of his dealings might have been "sanitized" or destroyed. The military and the prosecution deny both charges, but officials concede that some papers might have been lost during the fighting.

James LeMoyne of The New York Times has reported that officials have found few documents or other evidence proving Mr. Noriega to be a major drug trafficker. "We've found no smoking gun in the documents," one of the searchers told Mr. Lemoyne. Others suggested it was "possible" that a conviction could be obtained only for "relatively small-scale" drug dealings between 1982 and 1984, five years before the invasion last December.

Defense Secretary Dick Cheney has refused on "national security" grounds to release to Representative Charles Rangel of New York a set of videotapes shot from Apache helicopters during the fighting in Panama. Mr. Rangel said some Panamanian residents had complained that the Apaches did most of the damage to residential apartment buildings. Not only were Apaches used in the assault; so was the new Stealth bomber, although organized resistance was so feeble that only about 50 Panamanian military personnel were killed.

At least 202 civilians died, by U.S. admission. Many estimates put the toll substantially higher. A total of 422 bombs fell on Panama City in 13 hours — something like a bomb every two minutes. In Chorrillo, a barrio of wooden structures where U.S. tanks rolled through the streets, "the invasion hit like a little Hiroshima," Raul Leis wrote in the April issue of Report on the Americas, a publication of the North American Congress on Latin America.

"There were no shelters, no civil defense ... The invading troops were concerned only with minimizing their own losses," Mr. Leis, director of the Panamanian Center for Research and Social Action, reported. He said the total of civilian deaths would be hard to establish because "bodies were buried in alleys and patios, and information has been intentionally withheld."

The Bush administration has been celebrated at home for an invasion that violated international law and the charter of the Organization of American States, that earned the opprobrium of all Latin governments and 75 members of the United Nations (40 others abstaining), for which no compelling justification has been offered before or since, and which resulted in the indiscriminate killing of unnumbered civilians.

If Mr. Noriega goes free, or can only be proved to have been a minor drug figure, will the American people at last speak out against this outrage done in their name?

The New York Times.

One Army For a New Europe

By Jim Hershberg

MEDFORD, Massachusetts — A simple idea for the security of Europe is being overlooked: a pan-European army.

Merging the forces of the members of NATO and the Warsaw Pact, including the United States and the Soviet Union, could integrate a unified Germany into a continent-wide military structure. It could contain nationalist rivalries among the newly independent former Soviet satellites. It could replace the outmoded NATO-Warsaw Pact division of alliances, matching a military arrangement to the emerging political, economic and philosophical currents that have been sweeping Europe since last year.

Such a multinational European force would not be a new idea so much as a variation on a concept that was official American policy 40 years ago.

After World War II, driven by the dream of European unity and a dread of the national rivalries that had led to two horrific wars in half a century, Jean Monnet and others led a movement toward West European fusion. (The East, of course, was then in the control of the Soviets.)

Proponents hoped that unification would develop concurrently in the economic, political and military spheres. The economic effort led to the European Community. A proposed political community was watered down into the largely powerless European Parliament. The third leg of the unification triad was to be a European Defense Community, but the idea was eventually killed.

Why not revive the EDC concept? This time it could extend throughout Europe, East and West. An integrated European army could include counterbalancing Soviet plus American and Canadian participation. The force could be deployed in all European countries currently belonging to NATO and the Warsaw Pact.

By securing national borders and standing between any potential international combatants, a continent-wide military force would minimize the risk of dangerous military build-ups along borders separating countries with political tensions.

The composition of the European army, based on proportional representation, would be overwhelmingly pro-democratic and anti-Communist.

Unified Germany would be subsumed within the new structure, its military forces dispersed around Europe as a minority within a common army. Fears of resurgent German militarism should wane.

By permitting the European army to replace undesired Soviet occupation armies, the former Soviet satellites would consolidate their escape from Soviet domination.

By permitting the Soviet participants in the army to deploy in Western Europe, the plan would give Moscow a face-saving excuse to pull its armies out of Eastern Europe.

Western military leaders disturbed at the idea of allowing even an essentially token Soviet military penetration of Western Europe should recall that in a regime of mutual on-site inspection of military facilities, mutual observation of military exercises, mutual overflights of territory and exchanges of students at military academies — all of which is taking place or envisioned in East-West arms control agreements or negotiations — the Soviets are supposed to know about West European military deployments anyway. Participation in a single military force would simply ensure immediate and reliable mutual verification.

A combined European army fits the emerging spirit of a common European civilization, its members eager to collaborate more fully than ever before. In Western Europe this goal is wrapped up in the plans and visions for 1992's shedding of economic barriers. In the East it is captured in the widespread longing to return to the mainstream of European intellectual and cultural currents after a painful, externally imposed absence.

During the Cold War, internationalism was regarded as utopian and naive, since the Soviets were unfit partners. Now the Cold War is over. Maybe it is time to give international collaboration another look.

Already the increased effectiveness of the United Nations in the last few years, particularly in sending peacekeeping forces and monitoring democratic transitions in the Third World, testifies to the fact that a lessening of superpower tension can open the door to useful international action.

The writer teaches history at Tufts University, where he is a research associate of the Nuclear Age History and Humanities Center. He contributed this comment to The Washington Post.

100, 75 AND 50 YEARS AGO

1890: Eiffel Treatment

PARIS — The *Figaro* states that it has been found that the pure air of the second and third platforms of the Tour Eiffel has a remarkable therapeutic effect in cases of certain nervous affections. Several physicians have prescribed the "air cure" to their patients and with the greatest success.

1915: Helping Germany

LONDON — According to a despatch from New York, German spies have been discovered among sorters and other minor officials of the U.S. postal service. They have opened, it is alleged, letters addressed to diplomatists, and also letters from inventors to ordnance experts.

LONDON — A man named Ernest Alfred Lisle, who said that the Germans were justified in sinking the Lusitania and in using poisonous gas, was sentenced to three months' hard labor at Southampton for making statements prejudicial to the realm.

1940: The 'Finest Hour'

LONDON — Prime Minister Winston Churchill gave today [June 18] to the House of Commons, and subsequently by radio to the British Empire and the United States, a factual statement of the present emergency and the events which led up to it, and repeated his resolve to fight to victory. He gave "some indication of the solid, practical grounds on which we are basing our invincible resolve to continue the war." With the Battle of Britain about to begin, he said his government had "not felt able to relieve the French government of their treaty obligations" and expressed the sentiment that if the French came to terms with Adolf Hitler they would be "casting away their future." Britain would fight for this future and the restoration of all nations subjugated by the Germans, and if the British Commonwealth lasted 1,000 years men would say, "This was their finest hour."

— From the New York edition of the New York Herald Tribune.

OPINION

Get Out of the PLO Link And Off Shamir's Back

By William Safire

WASHINGTON — When the PLO betrayed the basis for talks with the United States by launching a major terrorist attack on civilian families on the beaches of Tel Aviv, George Bush sent his secretary of state to the Congress to lash the new government of Israel with sarcasm. Secretary James Baker's blame-the-victim attitude invites more terrorism and a new cycle of stiff-neckedness.

As the supreme pragmatist, Mr. Baker should recognize that snide, self-indulgent wisecracks make great sound bites but impede progress.

Let's be constructive: In the Middle East, that means taking Mr. Baker's calculatedly intemperate here's-my-number, call-me-when-you're-ready blast and interpreting it in a different way.

Israel will be given a respite from intervention by a one-sided government in Washington eager to set up a Palestinian state.

The new conservative ("right-wing" to those who never call its opposition "left-wing") government should take the Baker tantrum as good news: For a while at least, it means that Israel will be given a respite from intervention in its democratic political workings by a one-sided, anti-settlement government in Washington eager to set up a Palestinian state under Arafat rule. This will give the new government, denied even the shortest media honeymoon, a chance to come up with a few surprises.

Surprise number one is easy: to demonstrate that it is not the gang of thugs that Arab apologists would have the world believe. The new Shamir government has already welcomed a United Nations visitor and opened one Palestinian university facility; other demonstrations of goodwill should follow, unless these are met with a kick in the teeth.

The second surprise will come when the government, always derogated as "narrow based," lasts longer than a few weeks. Here is the unspoken discipline to splinter parties: When a few swing voters bring down the rightist coalition, a unity government is likely to emerge that will reform the splinters out of their seats in the Knesset. Thus the next no-confidence vote could be their last.

The focus, Likudniks hope, will be on "the absorption process." Today's enthusiastic welcoming is sure to face natural strains; young Israelis, facing unemployment approaching 9 percent, will be competing for jobs with arriving Soviet immigrants. Housing Minister Ariel Sharon can expect heavy coverage of disappointed immigrants and resentful sabras, but could confound his critics by rising to his greatest challenge — housing and employing Exodus III, which will strengthen Israel immeasurably.

Mention of that controversial character turns us to the surprises we can expect from a Labor Party no longer in thrall to the State Department. Mr. Sharon tells political friends: "Peres is finished; our problem is Rabin."

Yitzhak Rabin, defense minister until the popular Mr. Bush inadvertently knocked over Israel's grand coalition in a fit of peaking, just ended a visit to the United States; I slipped up to New York and caught him, relaxed for a change, watching a soccer game on television. His longtime rival, Shimon Peres, remains leader of the Labor Party, hopeful that time will dim memories of his failed grab for power. Mr. Rabin, the most widely respected leader in Israel, knows he must move quickly to regain the party and national leadership he held in the '70s.

He would like to bring a primary system to his party, infusing it with young blood and capturing the nation's avid attention, but that might take four months to set in train. A quicker leadership decision would be through the 1,300 members of the party's Central Committee, most of whom owe their jobs to Mr. Peres and his cohort.

Because political parties exist to win, I am betting on Mr. Rabin to bring it off. What would follow in time would be elections with an eye to the sort of reform Israel needs: a stable government of one side or the other.

Mr. Rabin envisions a prime minister elected directly, with a two-thirds vote of the Knesset needed to bring down his government — a hybrid presidential-parliamentary system. Others press a reform raising the threshold of the percentage of votes needed to rate seats in parliament. Whichever shape it takes, the need for stability is in the air.

What is the best American policy? To restore its anti-terrorism credibility by getting out of the PLO's snare of talks; to stop building the Iraqi threat with American trade and credits; and to get off Mr. Shamir's back as new Israeli leadership backed by an improved political system develops.

As that happens, and as Secretary Baker learns that Israeli leaders do not quake at his sarcasm, let the phones begin to ring.

The New York Times.

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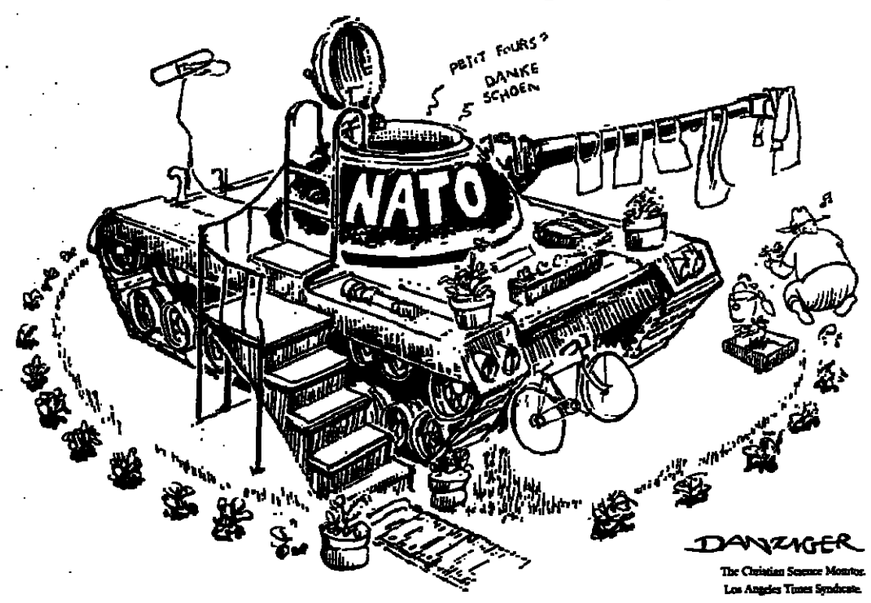

LETTERS TO THE EDITOR

To Bring Peace to Lebanon

There is today no legitimate state in Lebanon, even if foreign ambassadors present their credentials and proclaim their governments' support for what they hope could become the legitimate government. And it is totally unrealistic to think that out of the present situation, with its chaos, factional fighting and fragmentation of territory, there could emerge by some miracle a strong, sovereign state capable of recovering control over its land and people.

The experience of the Arab League, Syrian, American, French, British and Italian forces that have at one time or another tried or claimed to bring peace to Lebanon shows that individual foreign armies are unable to secure the assent of the majority of the Lebanese population to their presence or to their activities. That assent, which is essential for any outside intervention to succeed, will be given only to the United Nations. The UN Security Council should assume its responsibilities toward Lebanon and take the necessary steps to protect its territory and restore its sovereignty. Such steps should include the replacement of Israeli, Syrian and Iranian forces by a UN force with adequate means to assume a trusteeship role for a limited period. A constituent assembly should be elected so that the Lebanese people can determine without outside pressures the terms on which they wish to live together. An international aid program should be set up to help Lebanon repair 15 years of damage.

With such outside assistance the Lebanese people, in their natural resilience, will quickly restore Lebanon to its previous place as an economic, cultural and human bastion of freedom in the Middle East.

CECIL HOURANI.
London.

When the War Is Over

William Safire's "A Declining Superpower Gets Gracious Solicitude" *(Opinion, June 5)* puts me in mind of the Northern politicians who imposed Reconstruction on the South after the American Civil War. Grinding one's heel in the face of the "loser" would result, as it did after that upheaval, in a legacy of hatred and bitterness with far-reaching consequences.

Why should the United States be less forgiving of Soviet actions in the Cold War than it was of German and Japanese aggression in World War II? Isolating the Soviet Union, undercutting its moderate leader and standing by in the face of its economic collapse would be a mistake with unparalleled consequences.

SLOANE ROBBINS.
Naples, Florida.

The Supreme Soviet has endorsed a program of accelerated economic change and President Mikhail Gorbachev and his government have been given until Sept. 1 to draw up detailed laws on the establishment of a market economy in the Soviet Union. Who is kidding whom?

There is absolutely no way any meaningful legislation can be drafted in so short a time, and even if this were possible, doing so would not fill the empty shelves that cause the Soviet people endless frustration every day. This is not a grace period — this is a coup de grace for President Gorbachev & Co.

KARL H. PAGAC.
London.

If Canada Is Divided

Regarding the report "Across Quebec, a Separatist Surge" (June 5):

As I read about the possible secession of Quebec from Canada I wonder if those in favor, both in Quebec and elsewhere, have given any thought to the logistical difficulties.

Quebec is not an island that could be ignored by the rest of the country after a parting of the ways. The existing infrastructure of highways, railroads, ports and airports would have to be maintained, not only for the convenience of the Québecois but also so that other Canadians could continue to travel freely within their divided country. And what of military installations in Quebec? And federal lands and buildings?

There has been a lot of angry talk concerning the future of Canadian unity, and it seems that separatists have convinced a lot of people that secession is inevitable. Do those in favor believe that their lives will remain unaffected and that they will merely run a different flag up the pole?

ROBERTO DE VIDO.
Hong Kong.

Back to Vietnam to Help Fix the Woman's Tiles

By Colman McCarthy

MINNEAPOLIS — In Vietnam in 1969, Lieutenant Steven Sherlock saw the grotesqueries of hand-to-hand slaughter. One memory has gripped him. He was leading a 101st Airborne platoon of 30 men — armed with M-60 machine guns, M-79 grenade launchers and light anti-tank weapons — on a night ambush patrol into the village of Nuoc Ngot, between Hue and Danang.

North Vietnamese soldiers were said to be slipping into the village at night to get rice. Lieutenant Sherlock's orders were to kill them.

In South Vietnam only three months and combat ready, he was eager to obey. During the firefight from 9 P.M. to midnight, he settled his troops next to the second-to-last house on the road through the village. Six Vietcong were killed and one American wounded. All were in their late teens or early 20s. When dawn broke, and after coming upon dismembered and headless bodies that he described as the "slimy carnage" of the evening before, Lieutenant Sherlock met the Vietnamese woman who lived in the house he had fought beside.

MEANWHILE

To him, she was no more than another suspicious looking villager, except that he was never to forget her. In February 1989 he returned to Nuoc Ngot and to the second house from the end. The woman still lived there.

The former lieutenant, now a government analyst who earned a Ph.D. in 1980 from the University of Minnesota, had come back to say he was sorry if he had frightened her that night.

A fair number of U.S. veterans of the Vietnam War have been returning to former battle zones. Mr Sherlock went beyond a cathartic exercise in apology. Along with three other veterans, he now has formed Aid to Southeast Asia, a nonprofit corporation that plans to send medicine, school supplies and agricultural goods to citizens in Vietnam.

The 13-year war with the United States was only one evisceration over decades of violence and political disruption that have left Vietnam with nearly nothing. South Vietnam is recovering economically. North Vietnam, liberalizing more slowly, is not.

Mr. Sherlock and his co-founders of Aid to Southeast Asia speak of a need for massive assistance. "We found it in a hospital in the southern part of Vietnam where shabby, dilapidated incubators are shared by two infants. We saw it in the central area of Vietnam where one of the finest schools in the country was seriously overcrowded and undersupplied, and again in Hanoi where the best hospital in the city lacked basic medications."

Mr. Sherlock is in the now-comes-the-hard-part phase of his project: hustling and scrounging for donations and supplies, and then organizing an air and sea shipping network. The goods are to be flown commercially to Bangkok or Hong Kong and then to Vietnam by that country's carriers.

This roundabout route is necessary, in part, because of U.S. sore-loserism. The humiliation of being a superpower militarily defeated by an army of impoverished guerrillas has led successive administrations to impose aid and trade embargoes on Vietnam. With no U.S. embassy in the country, it is such unofficial ambassadors as Steven Sherlock who have the vision and compassion to see beyond the pettiness of political grudge-bearing.

One of the clearest examinations of U.S. negativity came earlier this year in a remarkably lucid series of articles in the Star Tribune in Minneapolis by Jim Boyd, an editorial writer for the paper since 1980. An army veteran who spent 1970 in Vietnam, Mr. Boyd wrote of the postwar "U.S.-engineered economic and diplomatic isolation" that Vietnam faces from the West, although several nations have refused to join in.

"The sterile state of hostility that continues between Vietnam and the United States — originating principally on the American side — is a mistake. It is diplomatically out of date; it is commercially shortsighted, and it is morally shameful."

The efforts of Steven Sherlock combine restitution and reconciliation. Aid to Southeast Asia is a small operation, with a projected first-year budget of $400,000 in money and goods.

It was an incident on his 1989 return to Nuoc Ngot that helped stir him to action. The village woman, after accepting his expression of sorrow, showed some broken tiles in her home, still unfixed since that night of death and destruction 20 years earlier. She asked Mr. Sherlock if he would help with the repairs. He did.

It turns out to have been a down payment, the first of what he expects to be many before the war is really ended.

Washington Post Writers Group.

THE way U.S. policy has worked in the Khmer Rouge interest was explored earlier this spring in a superb television documentary, an ABC News special with Peter Jennings as anchor. It said that arms supplied by America to the non-Communist opposition have made their way to the Khmer Rouge. There was some revealing reaction to the Jennings program. A review in The Wall Street Journal attacked it in McCarthyite terms as pro-Vietnamese. President George Bush's press secretary, Marlin Fitzwater, endorsed the Journal's attack. That reaction showed one reason for an American policy that on its face has seemed inexplicable: sheer hostility to Vietnam.

—Anthony Lewis (The New York Times).

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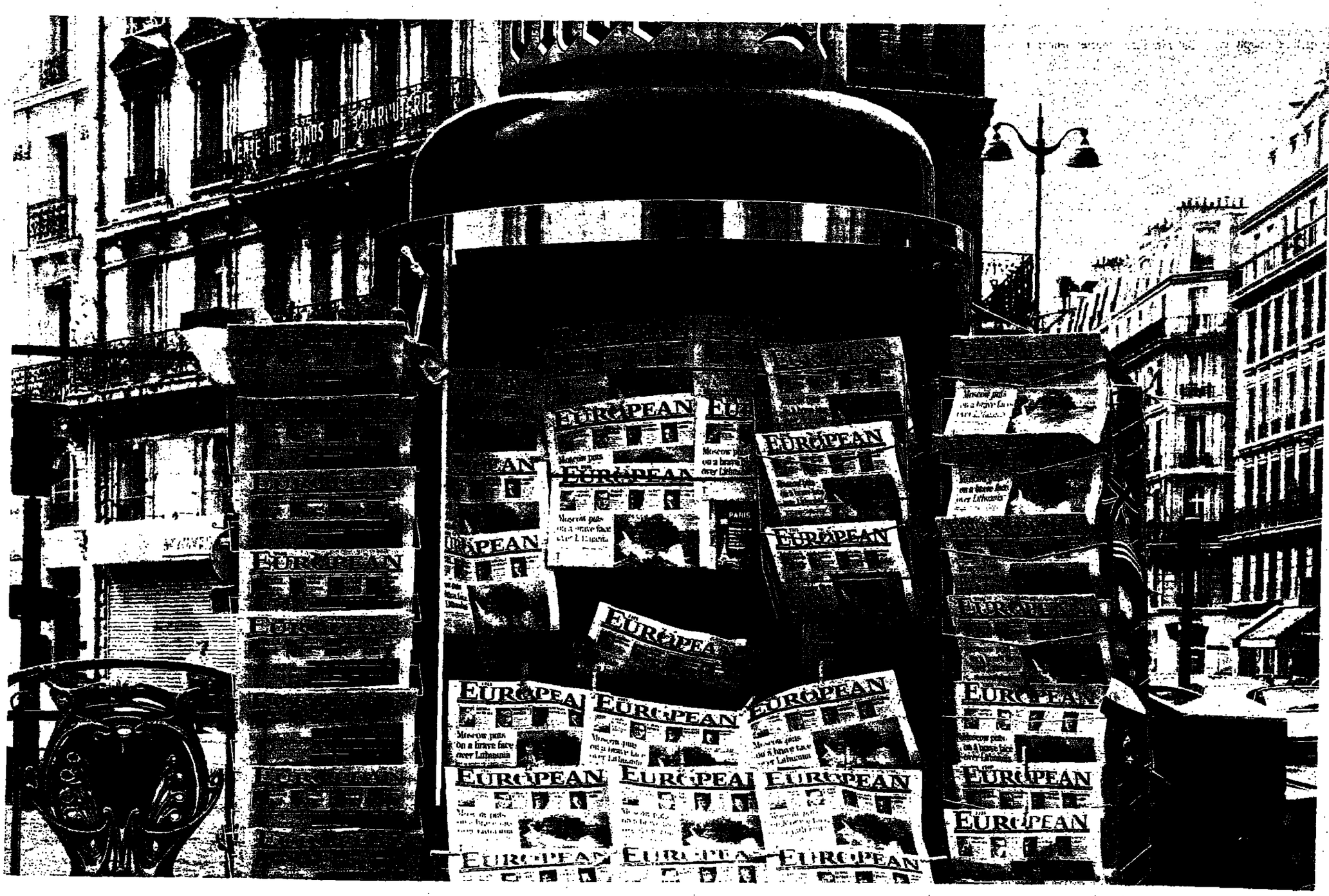

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Initiative In Central America

5 Seek to Revive Common Market

By Lee Hockstader
Washington Post Service

ANTIGUA, Guatemala — Five Central American presidents have proposed reviving their battered economies through broad, regional cooperation in trade, production, financing and investment.

The plan to revive the economies is designed to resuscitate the Central American Common Market, which has been moribund for nearly a decade, and to fashion a unified regional strategy for recovery from a prolonged period of violence, instability and economic decline.

The presidents of Honduras, Guatemala, Nicaragua, Costa Rica and El Salvador called for a review of tariffs, lower border restrictions and other barriers to free trade. They also appealed for a unified approach to rebuilding the region's transportation, communications and energy infrastructure and creating a regional foreign service to attract new investment and tourism.

The five leaders also proposed the development of coordinated industrial and agricultural policies to guide production. They said they would instruct their economic planners to establish a forum to examine ways of easing the region's $20 billion in debt.

And they appealed to developed countries for more aid to Central America.

"We don't extend our hand to ask for charity," President Rafael Angel Calderón Fournier of Costa Rica said. "But we say to you, 'Here are the Central American people who are willing to give their labor, effort and dedication, but who also need the friendly hand of the developed world.'"

The Central American summit meeting — the eighth in four years — is the first to focus on economic issues. Previous meetings had been dominated by civil wars in Nicaragua and in El Salvador.

The five presidents offered to revive the region's common market because of concern that severe poverty in their countries may undermine moves toward peace.

"The conflicts aren't over, but they're winding down," a regional economist said. "There's room to maneuver."

About two-thirds of Central America's 30 million people live in poverty, and trade among the five countries has declined sharply in the last decade, from $1.1 billion in 1981 to about $600 million now. Prices for the region's major commodities, especially coffee, have dropped, and regional trade is being impeded by shortage of foreign exchange.

"Politically, they know that democracy can't go very much further unless you push from the economic and social perspective," a regional development expert said.

U.S. officials said that Secretary of State James A. Baker 3d, who was meeting with the presidents on Monday, would propose the creation of a development organization to benefit the region, using the experience of a group of 24 industrialized nations that supported change in Poland and Hungary.

A proposal circulated to the Central American leaders by the U.S. deputy secretary of state, Lawrence S. Eagleburger, said the group would include multinational and international lending institutions, such as the Organization of American States and the World Bank, and that it would push for aid, trade and investment.

The proposal said that the United States, the European Community and Japan would serve as co-chairmen, with a secretariat in the United States.

The offer to base the secretariat in the United States generated some harsh comments among some Central American economists, who said it was certain to stir resentment in the region.

President Guillermo Endara of Panama attended the meeting as an observer.

Adil Bradlow/The Associated Press

NO PLACE LIKE HOMELANDS — President Frederik de Klerk, right, talking with Chief Mangosuthu Buthelezi of KwaZulu, left, and Chief N.M. Ramodike of Lebowa, as the South African leader began talks with homeland, Indian and mixed-race leaders near Cape Town on Monday. They talked about creating a moderate alliance against the African National Congress. After the meeting, the delegates repeated Mr. de Klerk's call for "real negotiations for a new constitution" but were silent on any alliance.

Charges of a Cover-Up Cloud Pretoria's Death Squad Probe

By Christopher S. Wren
New York Times Service

JOHANNESBURG — In a Dutch Reformed Church office building in central Pretoria, a parade of witnesses, some wearing ill-fitting disguises and testifying under false names, have been telling South Africa's equivalent of a grand jury that they do not know, cannot remember, or will not testify for fear of incriminating themselves.

The witnesses have been summoned by the Harms Commission, which is investigating accusations that assassination squads run by the security forces have killed or terrorized opponents of apartheid.

The commission, consisting only of Justice Louis Harms, has confirmed the existence of clandestine operations by both the armed forces and the police.

But for four months it has been unable to bring to light any significant details, raising suspicions of a large-scale cover-up that could undercut President Frederik W. de Klerk's credibility as he promises to move the country toward nonracial democracy.

No one has accused Mr. de Klerk, who set up the commission in response to public pressure, of trying to hide the facts.

But critics accuse Defense Minister Magnus Malan of foot-dragging, saying he has failed to ensure that his subordinates cooperate with the inquiry.

"The big issue is they're just not cooperating," said Max Coleman, a leader of the Human Rights Commission, which monitors human rights from the perspective of the anti-apartheid movement. "They're destroying records."

Mr. Coleman was referring to the disappearance of records of domestic operations mounted by an undercover military unit called the Civil Cooperation Bureau.

Only seven of the bureau's estimated 250 members have testified, Mr. Coleman said, and some of them under false names.

At the outset, the bureau's chairman, Major General Eddie Webb, agreed to deliver the missing files, but later told Justice Harms that he could not find them.

General Webb testified that the Civil Cooperation Bureau had mounted up to 160 operations around the world.

But he declined to discuss specific operations on the ground of self-incrimination.

Colonel Joe Verster, the managing director of the Civil Cooperation Bureau, wore a gray wig, long beard, and dark glasses to the hearing, where he testified that he ordered that an emergency plan to transfer the operational files to a safe place be carried out. But Colonel Verster said he did not know to whom he gave the order or where the files were taken.

Witnesses have been allowed to testify in disguise and under false names because they are part of an undercover unit.

"I conclude that there hasn't been an effort to get those internal project files and I conclude it's because what you'd find in those files is absolute dynamite," said Brian N. Currin, national director of the Lawyers for Human Rights.

Though the bureau was so well financed that it bought weapons as large as anti-aircraft cannon on the Mozambican black market and once considered buying an island off Mozambique, the commission has been unable to learn just how it spent its money.

On Saturday, The Star newspaper of Johannesburg reported that a former member of the Civil Cooperation Bureau received the equivalent of $188,000 for one secret operation.

The member, Johann Niemoller, told The Star that he had been paid for helping to forestall a coup in the Seychelles, an island nation in the Indian Ocean.

The Star said the Harms Commission had no plans to call Mr. Niemoller as a witness.

The commission has been hampered further because its mandate is limited to uncovering violence committed by state agencies inside South Africa.

This has prevented it from exploring links to the assassination of Anton Lubowski, a Windhoek lawyer who represented black nationalist rebels, in Namibia last September.

Several Civil Cooperation Bureau members were initially detained here by the police as suspects in the killing.

Court Backs Professor in Sexism Case

WASHINGTON — The Supreme Court left intact Monday a decision forcing Boston University to grant a lifelong position of professor to a woman found to have been a victim of sex bias.

The court, without comment, rejected arguments that to require the university to grant her tenure would violate academic freedom.

An issue in the case of Julia Prewitt Brown, a professor of English literature, was the admissibility of trial evidence allegedly showing that the university president, John R. Silber, harbored sexist attitudes.

Mr. Silber is on leave from the university to seek the Democratic gubernatorial nomination in Massachusetts.

The university argued that evidence of Mr. Silber's alleged sexism should not have been presented to a U.S. jury that awarded Professor Brown $200,000.

A judge added $15,000 to compensate her for emotional distress, and ordered the university to reinstate her with tenure.

Professor Brown had been teaching at Boston University for six years when she became eligible for tenure in 1979.

But Mr. Silber opposed tenure and recommended instead that she remain on probation for three more years. He relied in part on a report by the university provost questioning her scholarly credentials.

She had published a book of criticism on Jane Austen's novels that was well reviewed by other scholars. But the provost said the university should await further evidence of her abilities.

After she rejected the offer of three more years on probation, the board of trustees denied her tenure.

When her lawsuit reached a trial, evidence was introduced of Mr. Silber's alleged sexism. It included a remark he made describing the English department as "a damn matriarchy" at a time when the department was headed by a woman and included six female and 20 male faculty members.

In other rulings, the court:

— Upheld the practice of videotaping suspected drunken drivers, but placed limits on the kinds of questions the police may ask.

— Ruled that the U.S. government had the authority to order companies to resume funding pension plans. The court, in a case brought by the Pensions Benefit Guaranty Corp., reversed a lower court ruling that held the government liable for three pension plans of the LTV Corp. The government had warned of a threat to the federal pension insurance program.

— Agreed to consider killing a lawsuit by a Texas businessman who said U.S. regulators caused the financial ruin of his savings and loan association. *(AP, UPI)*

Foreign Residents in Liberia Put On a Brave Face

By Neil Henry
Washington Post Service

MONROVIA, Liberia — Tony Baker seemed a remarkably happy man as he waited in line to cash a check at a downtown bank the other day. All around him in this fearful West African capital, confusion seemed to reign, with shortages of gasoline, rice and sugar and an exodus of citizens following tribal killings.

Yet there the American stood, his muscular arms crossed at the chest, beaming as if he had not a care in the world. "Hey man, Liberia's great," said Mr. Baker, 43, a former National Football League running back. "The heat's fantastic for my bones. The knees and shoulder never felt better."

That a former NFL fullback with sore joints can find a measure of peace here even at a time of national crisis says something about the resilience of Monrovia's people, who always seem to find a way to get by in this besieged capital.

From 1968 to 1976 Mr. Baker carried the ball for the New Orleans Saints, Philadelphia Eagles and Los Angeles Rams. Several years after his retirement, he took a trip to Africa "looking for something to do in warm weather" and ended up in Liberia, where he says he started working the lumber trade and has not left since.

"This is home. Business is gonna get good again," he said. "I'm not leaving."

Mr. Baker is not alone. While six U.S. warships and a contingent of Marines remain anchored off the Liberian coast to evacuate Americans in case of an emergency, about 1,400 American citizens continue with their lives here despite encroaching anarchy and atrocities by soldiers against civilians.

Headless bodies are discovered in the streets. Sixteen corpses remain unidentified in the morgue more than a week after they were found. So many Liberians have fled the country that the government has run out of passports.

Yet many people who can go freely choose to stay. One reason seems to be that anarchy is not too far from the norm here.

"There are certain things you learn to put up with in Liberia that you would never tolerate in America," said an American businessman who has lived in Liberia for 17 years.

"You pay off soldiers in order to pass checkpoints," he said. "That's nothing new. Sometimes they steal your car, but so what? You can always get another one. It's the price of doing business here."

A Belgian timber shipper became enraged the other day as he accused foreign journalists of sensationalizing Liberia's troubles. "Life is so good here. Business is good here. But you people scare everyone away. In Africa, people are always fighting. It is nothing new."

But according to Western diplomats, about a quarter of Monrovia's 500,000 people have fled in recent weeks — especially those from the Lebanese and Liberian merchant communities.

In the six-month war, rebels of the National Patriotic Front, led by a former businessman, Charles Taylor, have pushed to within 35 miles (55 kilometers) of Monrovia in an effort to end President Samuel K. Doe's 10-year rule.

[The Liberian government lifted a ban on opposition parties Monday and announced an amnesty for rebel fighters advancing on Monrovia, Reuters reported from the Liberian capital.

[A statement from Mr. Doe's office said there would be an immediate, unconditional amnesty for "all members" of the front and for "all others living at home and abroad who have ever been implicated in anti-government activities since 1980."]

The rebels control about a third of the country and have overrun rubber plantations, iron ore mines and timber regions that produce nearly 90 percent of the country's annual export earnings of $500 million. Diplomats say imports are down 80 percent.

Between 1980 and 1985, the U.S. government gave Mr. Doe more than $500 million in economic and military aid. Since then, it has cut support sharply because of reported human rights abuses and accusations of rampant corruption.

The country is $800 million in debt, allegedly because of corruption and mismanagement. The International Monetary Fund is scheduled to vote in August on a motion to expel Liberia from the organization. No other country has ever suffered such a fate.

Monrovia, named after President James Monroe, rises from the edge of the Atlantic Ocean in a jumble of low-slung office buildings and squalid wooden shacks. The narrow streets teem with black-market money changers and hawkers — of trinkets and Tupperware, marijuana and prostitutes.

Founded by freed American slaves in 1822, the country has looked to America with admiration and affection. In settlements where descendants of those original slaves live, some dilapidated houses of corrugated steel and wood have American-style dormers, porticos, shutters and porches.

Diplomats say about $4 million remains in government coffers. As peace talks go on in neighboring Sierra Leone, these sources say the capital may be able to survive two more months, if current reserves of rice and gasoline are used wisely.

Few observers believe that the rebels will wait that long before trying to march on the capital, if the peace talks drag on.

25 Years Old, Japan 'Peace Corps' Wins Acceptance at Home

By Fred Hiatt
Washington Post Service

TOKYO — Seiko Watanabe, 25, conceded with a laugh that her parents think she's strange. Her relatives wonder why she's not getting married. Her friends worry about her dropping out of their lives.

Miss Watanabe, an occupational therapist, is in training to spend two years in the Solomon Islands as a Japan Overseas Cooperation Volunteer — Japan's equivalent of America's Peace Corps. In a nation where young people are supposed to get on a life track at an early age and never step off, her decision strikes many as peculiar.

But if Miss Watanabe and her colleagues-in-training are nonconformists in a society that prizes conformity, they also reflect a gradually increasing acceptance of diversity, individual choice and international exchange.

Next month, the Japanese program will celebrate its 25th anniversary, and its officials and volunteers say the country increasingly accepts its mission.

Kei Kitamura, 33, a physical therapist who will soon be dispatched to Tonga in the southwestern Pacific, said he considered going overseas 10 years ago.

"The atmosphere was so different then," he said. "My friends said, 'If you go now, I may never you see again.' It was this tragic, unusual, dangerous kind of thing. Now everyone accepts it."

The Japanese program remains small compared with the Peace Corps: about 9,000 volunteers dispatched since 1965, compared with more than 120,000 Americans since President John F. Kennedy inaugurated the U.S. program in 1961. About 2,000 Japanese are serving overseas in 45 developing countries, compared with about 6,000 Peace Corps volunteers.

The program is distinctly Japanese in certain ways. The 326 young volunteers training in Tokyo and at a second center in Nagano all wear uniforms like any good Japanese employee: khaki suits and white shirts with somber blue and red neckties for men and bows of the same colors for women.

When Mr. Kitamura departs this summer, like many Japanese employees sent abroad by their companies, he will leave behind his family — his wife and three children, aged 6, 3 and 1 — rather than expose them to the risks of living in a foreign country.

Kenshi Kan, 28, a high school science teacher preparing for assignment in Ghana, has one main worry: that he will leave his fellow teachers with extra work during his two-year absence.

The program also reflects the modesty of Japanese foreign policy, which since World War II has shied away from anything resembling missionary fervor.

While U.S. Peace Corps volunteers were envisioned as ambassadors of democracy and American goodwill, the Japanese program emphasizes technical expertise, namely men and women up to age 40 who can bring practical experience in fields as varied as telephone-exchange repair, forestry and chicken sexing.

As Japan's cultural influence grows with its economic power, however, that emphasis is shifting. More and more nations now want Japanese-language instruction, and 25.3 percent of volunteers are working on the cultural and educational side, compared to 18.9 percent of all previous volunteers.

The program has grown, but still swims against the tide of Japanese living patterns. In some Japanese companies, taking even a two-week vacation can damage a career. Children who spend a year abroad with their families sometimes never fit back in.

A male college graduate is expected to go straight to the company with which he will likely spend his working life, while a woman is supposed to marry at 25 and drop out of the work force to raise children. To some extent, Japanese volunteers are seeking to escape that lock-step mentality.

"Sometimes they feel they can't express themselves fully in Japan, so they want to challenge themselves abroad," said Kyosuke Takaoka, a spokesman for the program. "They're tired of being small cogs in a wheel."

Agence France-Presse

STUDENT LIBERATION — Three female first-year students at People's University in Beijing carrying their baggage to a waiting truck Monday on their way to two full weeks of compulsory training with the People's Liberation Army in Hebei Province.

Beijing Showed Patience In '89 Unrest, Jiang Says

The Associated Press

BEIJING — The Communist Party chief, Jiang Zemin, in a letter to nine students in California, defended last year's military suppression of the pro-democracy movement, saying the government had shown "maximum patience" to demonstrators.

On Monday, the Xinhua news agency carried the text of the letter it said was delivered to nine political science students from California State Polytechnic University in San Luis Obispo. It said the students had asked about China's current policies in a letter March 8 to Mr. Jiang.

He replied that the authorities had displayed "maximum patience" toward the demonstrators. He said the military was called in only when a small number of agitators used the student unrest in an attempt to overthrow the party and the government.

The closest he came to expressing regret over the bloodshed was when he said that China should learn from the West and "keep a certain amount of police force armed with necessary nonlethal weapons" to put down disturbances. He urged Chinese who participated in pro-democracy demonstrations while studying abroad to return, saying they would not be punished.

He said the Western press "concocted a lot of false, sensational stories" about the crackdown.

Bonn Lacks Evidence to Charge Honecker With Terrorism

Compiled by Our Staff From Dispatches

BONN — Bonn does not have enough evidence to charge the former East German leader, Erich Honecker, and other discredited Communists with supporting urban guerrillas in West Germany, the federal prosecutor said Monday.

The prosecutor, Alexander von Stahl, said in a radio interview that Bonn could start proceedings against Mr. Honecker and two former associates only if it could prove they had actively supported West German guerrillas. The associates under investigation were Erich Mielke, the former minister for state security, and Markus Wolf, the former espionage chief.

"At the moment, there are only very vague indications in that direction," Mr. von Stahl said, "so vague that they do not suffice to start proceedings.

"Simply providing the Red Army Faction members with shelter is insufficient for an indictment against the former leaders of the German Democratic Republic for supporting a criminal organization."

The charge he referred to is a catchall term frequently used in bringing terrorists and their backers to trial.

Mr. von Stahl said that if the officials had only given shelter to urban guerrillas, "then according to our laws this does not amount to the crime of supporting a criminal organization."

"A criminal probe against Honecker, Mielke and their accomplices could be started only if it can be proved they knowingly or intentionally provided Red Army Faction members with active help," Mr. von Stahl said.

In a sign of growing police cooperation between the two nations, East Germany has arrested six persons in 11 days on suspicion of being members of the Red Army Faction.

The arrests brought to light a long-standing protection agreement between East Berlin's former Communist leaders and the guerrilla group, which has killed leading West German businessmen and government officials since the mid-1970s. West Germans have been infuriated by revelations that some of the group's fugitives were sheltered by the former Communist regime in the East.

Eduard Lintner, a leading conservative legislator in Bonn, has called for Mr. Honecker's extradition to face terrorist-related charges in West Germany.

Mr. Wolf denied that he had known West German guerrillas were hiding in the East and that the former Ministry for State Security, known as the Stasi, had active contacts with them.

"That would have contradicted our basic approach and methods of work we used," he said, according to ADN, the East German news agency.

Egon Krenz, the longtime Communist security chief who led the party as it crumbled last year, said he learned of the fugitives only from news reports.

"This was not discussed in the Politburo, the Secretariat or the Military Council as long as I belonged to the East German leadership," he was quoted as saying by the Munich daily Süddeutsche Zeitung. "This is a mess." *(Reuters, AP)*

Bush Seeks More Aid For Rebels in Angola

By David B. Ottaway
Washington Post Service

JOHANNESBURG — The Bush administration is asking the U.S. Congress to approve an additional $10 million to $15 million in covert military aid for a rightist Angolan rebel movement, even as it is engaged in "extensive discussions" with the Soviet Union on ways to end Angola's 15-year-old civil war, according to administration and other U.S. officials.

The supplement to the $50 million that is budgeted this fiscal year for the Central Intelligence Agency aid program to the rightist rebels of the National Union for the Total Independence of Angola, or UNITA, would come in the form of reprogrammed funds, requiring the approval of the Senate and House intelligence committees.

A U.S. official said the request apparently was formally approved by the committees last week.

The request followed a UNITA claim early last month of a major victory that forced the Angolan government to call off an offensive aimed at penetrating into rebel territory in southeastern Angola.

The aid request also came as black U.S. leaders began a campaign to force an open congressional debate on the covert U.S. aid program to UNITA.

The black U.S. leaders met June 12 with the speaker of the House, Representative Thomas S. Foley, a Democrat of Washington, to press their demands for open talks.

The additional U.S. aid request followed statements by the UNITA leader, Jonas Savimbi, that U.S. military assistance was crucial in turning back the Angolan government offensive.

South African press reports said the U.S. military aid to UNITA made the difference in countering the Soviet-supplied Angolan Army.

[UNITA said Monday that it was suspending peace talks with the government until it had cleared up misunderstandings, which arose during secret contacts in Portugal this weekend, Reuters reported from Lisbon.

[*"UNITA considers that these exploratory contacts should continue at a later date, when the misunderstandings that have arisen* have been removed," a UNITA statement issued in Paris said.

[Portuguese press reports said both sides met at a military installation near Lisbon on Saturday and Sunday to try to arrange a cease-fire. But the reports said there was contention over how to enforce the cease-fire and disagreement over a timetable for the gradual surrender of arms.]

Secretary of State James A. Baker 3d told the House Foreign Affairs Committee on Wednesday that the Bush administration had been holding "extensive discussions" with the Soviet Union on ways to end the Angolan conflict.

But he told the Senate Foreign Relations Committee that any mutual cuts in U.S. and Soviet military aid to the two warring Angolan parties would be part of an overall agreement, including a cease-fire "and a commitment that there could, in fact, be open, free and fair elections."

Anti-Immigrant Party Loses French Election

Reuters

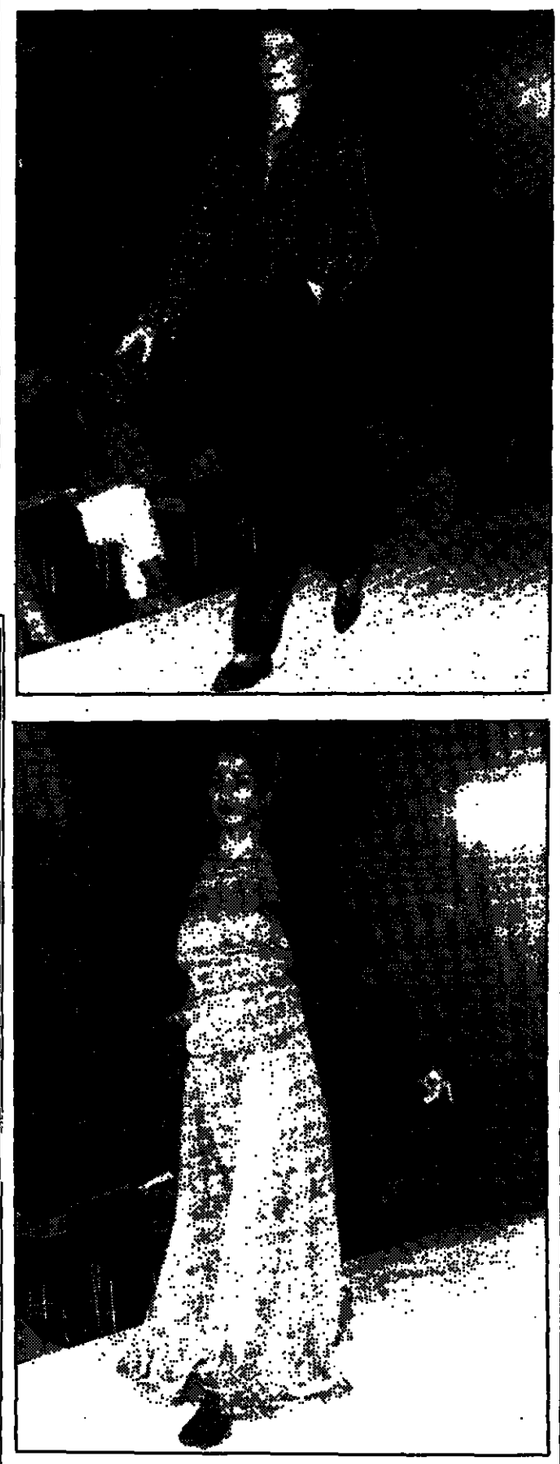
VILLEURBANNE, France — A Socialist candidate has defeated a rival from France's extreme rightist National Front in a minor regional council election seen as an indication of voting trends nationwide.

French mainstream political parties had feared that voters who backed conservative candidates in a first round last week might swing behind the National Front and its anti-immigrant policies.

Style

Photographs by Jean-Marc Lebeaupin

Cashmere cardigan, cycling shorts and jaunty boater are from Chanel's cruise line, above. At right, Rochas's new boutique line, designed by Peter O'Brien, ranged from flowing skirts to fitted tweed jacket with soft pants.



Jean Guichard/Gamma

Marc Bohan, the longtime designer for Dior, is about to be appointed artistic director of Hartnell in London.

Marc Bohan Hartnell-Bound

International Herald Tribune

LONDON — Marc Bohan, the former designer for Christian Dior in Paris, is poised to take over as artistic director of the queen's dressmaker — the house of Norman Hartnell. The appointment of Bohan for a fee of £1 million ($1.7 million) with a three-year contract, is expected to be made next week by Hartnell's chairman, Manny Silverman.

"I cannot deny that there have been talks with M. Bohan," Silverman said Monday. "I have always said that I wanted to find for Hartnell a top-flight international designer. But I am not yet in a position to confirm anything more at this stage." Silverman was speaking from his office in the firm's gilded mansion, with its royal warrants on the facade, in London's Bruton Street.

From his Paris home, Marc Bohan said Monday: "I can't make any comment, but I am coming to London at the end of this week, and touch wood, things will be decided. Negotiations take a long time. It would be an honor for me to work for a house with such prestige. And I love the idea of working in London, especially as my daughter is there and we have never had the chance to be together." (His daughter, Marie-Anne, works for the auction house Christie's.)

The appointment will be sweet revenge for Bohan, who was dismissed by Dior in 1989 after 28 years and now finds himself, at 63, courted by a house with an illustrious if faded name. Sir Norman Hartnell, who died in 1979, made the coronation gown for Queen Elizabeth in 1953, the future queen's wedding dress in 1947, and many of her formal outfits. Hartnell has dressed Queen Elizabeth, the Queen Mother, exclusively for half a century.

SUZY MENKES

Silverman, formerly chief executive officer of Moss Bros., the gentleman's outfitters, took over Hartnell in July 1987, when it was on the verge of bankruptcy. With a financial consortium, he took over the lease of the elegant house.

Plans were laid to capitalize on the Hartnell name with a ready-to-wear line and licensed products. But a series of British designers has come and gone over the last two years. Hartnell's next collection, to be shown during British couture week in July, will be by Roger Brines, the veteran, French-born designer to the queen's sister, Princess Margaret. Bohan's first couture collection is scheduled to be presented in London next February.

Bohan's appointment will push the house of Hartnell into a new league. He has not only a profound understanding of haute couture, a perfectionist Paris view of fashion and a lifetime of experience at Dior of marketing a line. He also had a fiercely loyal clientele, many of whom left Dior when he did. This includes Princess Caroline of Monaco, who invited Bohan as her guest to the Rose Ball in Monaco this spring.

Norman Hartnell was a romantic designer known for full-skirted ball gowns and elaborate embroideries. He once admitted: "I am more than partial to the jolly glitter of sequins." Bohan, on the other hand, has a restrained style and produced fine tailoring for Dior.

Negotiations between the Hartnell organization and Bohan started late last year. Although Bohan's fee, his three-year contract and the number of staff were agreed on in principle some months ago, Bohan has had to untangle legal complexities of his severance with Financière Agache, the parent company of Dior.

During the last year, Bohan has been preparing a book of fashion memoirs, which will now have an exciting new chapter.

Chanel's First Cruise-Wear Line

PARIS — Chanel showed a cruise-wear line for the first time — and made a shipshape job of it. "Everyone goes on holiday in the winter — and more go for the sun than the snow," said Karl Lagerfeld.

He and Chanel's owner Alain Wertheimer joined guests for lunch in the Rue Cambon salon after the show.

It marked a return to the classy elegance that is Chanel's hallmark. The models were young but impeccably groomed, and they carried the numbered cards that were couture style before collections got jazzed up. Lagerfeld also moved away from his recent sex-pot, tightly fitted line and went back to the boxy jacket that was Chanel's original signature.

But things did not get too serious. With youthful zest, A-line coats flared out into a princess line, skirts fluttered into pleats under longer jackets and cashmere tunics were teamed with knitted cycling shorts or pedal-pusher pants. Those sweater sets came in delicious colors — peach, lilac, primrose, apricot and mango — that were stroked on to a palette of navy and white.

Evening clothes were light and airy: chiffon falling in soft clouds from a small bodice, delicate ankle-grazing pleats under neat jackets, or a soft pajama outfit in sugar pink silk.

Cruise lines have traditionally been aimed at the American market, but these clothes will go on sale in all Chanel boutiques worldwide at the end of November.

Above all, the Cruise line showed Lagerfeld pulling back from pastiche, which is a dangerous game to play with Chanel when there are so many copies around.

Suzy Menkes

Rochas Back With an Irish Touch

International Herald Tribune

PARIS — The house of Rochas, famous for its fragrances, has come back to fashion. The house was a celebrated name in the 1930s and '40s, but the couture died in 1953, as did Marcel Rochas himself in 1955. Peter O'Brien, an Irish designer trained in Paris, has produced a luxury ready-to-wear line that will go into a new Rochas Paris boutique in September and may ultimately become international.

Without the hysteria and hype that has characterized other couture houses reflating an image, Rochas showed a refined and elegant collection Thursday at the Fondation Mona Bismarck. O'Brien, 38, offered what used to be called "boutique clothes": quietly luxurious tweed jackets, velvet pants, faille coats and cashmere evening sweaters.

"It's like couture, although I am supposed to be designing ready-to-wear," O'Brien said of the panels of ink blue and black stitched into a curving tuxedo jacket. Other unflamboyant luxuries were pearl embroideries unfurling from inside a pocket, or a mud-brown washed-silk lining to a gray flannel blazer that was worn with an ankle-length tan chiffon pleated skirt. ("Very Babe Paley at home in Connecticut," O'Brien says.)

The show opened with gray flannel, went on to show rhinestones sparkling in tweed and closed with evening knits. This interplay of shape and fabric from day through night gave a modern look to clothes that caused no fashion tremors. The biggest shock for a French audience came from day dresses with long skirts sweeping almost to the floor, with fitted bodices and the plainest of necklines.

"It shows my nun-like tendencies," says O'Brien, who takes an ironic view of his Irish origins. He was brought up near Dublin, studied at St. Martin's School of Art in London and Parsons School of Design in New York, and arrived in Paris in 1981. He trained first with Marc Bohan at Dior, then spent two years with Givenchy. In 1984 he became assistant to the late Guy Paulin at Chloé, the luxury ready-to-wear house, before taking over its line. He left when Chloé was taken over by Dunhill and spent 18 "hair-raising" months in New York. A long-term friendship with Rochas president Laurent Normand and his wife, Monique, brought him back to Paris for Rochas this spring.

"It is a big challenge and an interesting one to re-create a style for today," says Normand. "The Rochas woman requires a certain subtlety, so that she can show her own personality and the image does not dominate her."

O'Brien made an elegant play on the famous black-lace packaging of the classic Rochas fragrance, Femme, by overlaying Chantilly lace on a gray flannel jacket.

Misty, countried colors seemed to express O'Brien's Irish roots. A green tweed jacket came with rich peat-brown velvet pants; rhinestones nesting in knobbly gray tweed looked like raindrops on old stone. Taffeta evening skirts — each made from an extravagant 18 meters (almost 60 feet) of fabric — came in ink blue, shamrock green, brick red and mustard-seed yellow.

O'Brien had short slim skirts, but seemed less at ease with the typically Parisian silhouette. "I can never, never be Parisian," he says. "I am philistine about wine and cheese."

Yet O'Brien's look can best be described by those elusive French words *raffiné* and *distingué*. He believes that there is a gap in Paris between the sophistication of Avenue Montaigne and the funkiness of the *branché* designers. With this new collection, Rochas may find its fashion niche. — S.M.

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ACROSS

1 Catch one's breath
5 Use a saber
10 Not up
14 High, in Juárez
15 Martinique volcano
16 Mongolian desert
17 Illicit-spirits dealer
19 Sorrel's kin
20 Spice
21 French friend
22 Italian volcano
23 Strange
25 Bethlehem product
27 Tax evaluator
32 Child's arithmetic lesson
35 Calif.-Nev. lake
36 Twinges
38 Bill's partner
39 Favor
40 Musical show
41 The —— of one's teeth
42 Chemical suffix
43 Granted, as land
44 Della, the singer
45 Tried
47 One who discourages
49 Banks
51 Placebo
52 Actress Allgood
54 W.W. II info agency
56 Seed coverings
61 Arabian chief
62 Tree that is a source of incense
64 Spanish she-monkey
65 Actor Leon ——: 1881-1951
66 Karenina of fiction
67 Energy units
68 Stanches
69 Abound

DOWN

1 Chatters
2 Plant of the lily family
3 Portico
4 Vessels for chowders
5 Exhausts
6 Part of a table
7 Water plant
8 Looks
9 Patrimony
10 Concurred
11 Sycophant
12 Abba —— of Israel
13 Actress Merrill
18 At large
24 Drugged
26 McMahon and Asner
27 Facing the pitcher
28 French river
29 Very small amount of money
30 Many eras
31 Carried on
33 Cacophony
34 One past recovery
37 Some Renoirs
40 Flowers for "a blue lady"
41 Indian weight
43 Bee chaser
44 Turn away
46 Dowagers' diadems
48 Demolishes a car
50 Dusky, in poesy
52 Ditto
53 Cupid
55 Conceming
57 Do in a fly
58 Franchot, the actor: 1905-68
59 Tops
60 Port on the IJsselmeer
63 DeLuise of films

Solution to Previous Puzzle

H	E	A	P		S	A	C	R	O		S	L	I	P
I	A	G	O		A	L	L	O	T		C	E	D	E
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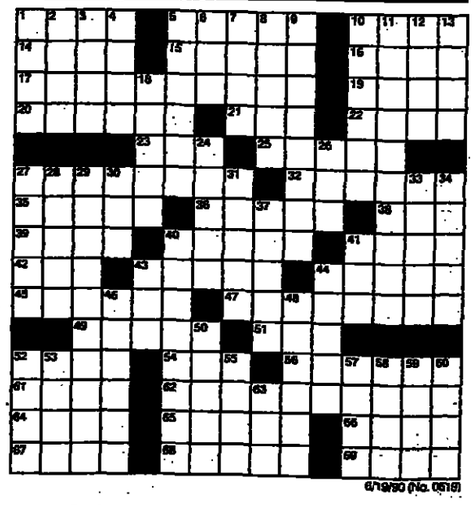

6/19/90 (No. 0519)

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INTERNATIONAL STOCKS

Travel Firm Sale Marks Hungary's Market Path

By John J. Duffy
International Herald Tribune

BUDAPEST — The move toward market economics in the former Soviet bloc is to take a significant step forward on Thursday, when Eastern Europe's first official privatized company is scheduled to begin trading on the fledgling Budapest Stock Exchange.

Ibusz, the Hungarian state-owned travel company, will be listed simultaneously here and on the Vienna Stock Exchange, making it also the first East European company on a Western bourse.

For the Budapest exchange, the listing of the Ibusz issue is both a beginning and a second chance. It marks the beginning of a Hungarian privatization program that promises to return 400 enterprises to the private sector over the next five years, generating $8 billion worth of equities.

But it also marks a second chance for an exchange that actually began life in 1983 as a place to buy and sell the bonds of state-owned companies. With more than 30 billion forints ($461.3 million) of debt outstanding, that market collapsed in 1988 as the failure of previous government reform efforts sent inflation ratcheting upwards.

Most of the 2,700 state-owned enterprises are to be sold.

This time around, however, exchange officials are optimistic.

"We expect to have a few dozen shares listed by the end of the year," said Ilona Hardy, director of the Budapest exchange's securities trading committee. "And with the privatization program, more and more companies will be coming," she said.

The Budapest bourse has been functioning for the past year and a half as a sort of pre-stock exchange, with a group of about 30 dealers meeting three times a week to trade about a dozen stocks. Volume on most days amounts to no more than 8 million forints.

The move toward a full-fledged bourse began to gather steam last year, when the right of Hungarian citizens to own and trade shares was restored. With legislation permitting the legal forming of an exchange recently taking effect, the listing of the Ibusz issue will give Hungary its first officially recognized bourse since the Communist takeover of the country in the late 1940s.

WHILE OTHER East European enterprises have been sold off in private placements, Ibusz is the first privatization through a public offering. A well-managed company that last year earned the equivalent of $18 million on revenue of $145 million, Ibusz is generally seen as a showpiece issue designed to generate interest for what is yet to come.

What is to come, if government vows are to be believed, is ultimately most of the nearly 2,700 enterprises owned by the Hungarian state. And while this prospect has whipped up enthusiasm of brokers who stand to earn tidy sums distributing the issues abroad, analysts wonder how the Hungarian investor community, such as it is, can possibly absorb such a mountain of equities.

"They've got a lot to do to make these companies attractive to Hungarian investors," said one foreign banker. "If you are in a 25 percent inflationary environment and the return on your investment is 20 percent before tax and you've got a 20 percent tax on your investment income, there really isn't too much benefit."

Indeed, many analysts wonder if the Budapest exchange also will be undermined by the slow pace of economic reform, which has been cautiously feeling its way for more than 20 years.

As in other Eastern European countries, the main pressures on the Hungarian economy are inflation — currently running at nearly 25 percent — and debt. Hungary's roughly $20 billion in foreign debt is the highest per capita in Eastern Europe. And in contrast to Poland, which has arranged a debt moratorium with its mostly official creditors, 80 percent of the Hungarian debt is owed to commercial creditors and continues to be serviced.

The economy is also being squeezed by a trade relationship with the Soviet Union that is collapsing faster than new markets

See HUNGARY, Page 13

CURRENCY RATES

Cross Rates

June 18

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.899	3.262	1.126	0.3347	0.1535 *	—	5.475 *	1.3277	1.2322 *	1.621	1.825 *
Brussels	34.675	59.7925	20.5825	6.111	2.8015 *	18.263	—	24.224	0.2257	29.6075	0.3337 *
Frankfurt	1.6872	2.879	—	0.2972	0.1363 *	0.8881	4.863 *	1.1796	1.0945 *	1.4388	1.62 *
London (a)	1.7085	—	2.8773	9.6780	2,109.00	3.2378	59.355	2.4413	263.325	2.0015	177.40
Madrid	104.302	177.34	61.346	18.353	8.413 *	54.808	3.0032	72.809	67.54 *	88.87	—
Milan	1,228.50	2,112.30	734.08	218.35	—	651.91	35.695	865.09	8.836	1,057.30	11.804
New York (b)	—	1.715 a	1.6743	5.6775	1,229.25	1.8845	34.592	1.4155	153.40	1.175	104.15
Paris	5.6745	9.6885	3.3549	—	0.4584 *	2.988	0.1626	3.967	3.6632 *	4.8445	5.4405 *
Tokyo	153.30	263.635	91.25	27.13	0.1245	81.86	4.4416	107.77	—	131.34	1.4882
Toronto	1.1754	2.0079	0.6985	0.2076	0.0923 *	0.6237	3.384 *	0.8266	0.7615 *	—	1.132 *
Zurich	1.4085	2.4409	0.8482	0.2579	0.1156 *	0.7532	4.1232 *	—	0.9283 *	1.2197	1.3712 *
1 ECU	1.22	0.7147	2.0571	6.9276	1,511.54	2.3183	42.3371	1.7464	188.858	1.4294	127.864
1 SDR	1.3323	0.7695	2.2158	7.4522	1,626.53	2.494	45.542	1.8787	202.117	1.5577	136.849

Closings in London and Zurich, fixings in other centers; New York closing rates, Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5070.2	Greek drac.	164.80	Mex. peso	2836.00	S. Afr. rand	2.6642
Austral. $	1.29	Hong Kong $	7.7845	N. Zealand $	1.7197	Soviet ruble*	0.6022
Austr. schil.	11.87	Indian rupee	17.483	Norw. krone	6.485	Swed. krona	6.1025
Brazil cruz.	55.40	Indo. rupiah	1844.03	Phil. peso	22.72	Taiwan $	27.10
Chinese yuan*	4.72	Irish £	0.6297	Port. escudo	147.90	Thai baht	25.78
Danish krone	6.4255	Israeli shek.	1.96	Saudi riyal	3.7498	Turkish lira	2587.00
Egypt. pound	2.7084	Kuwaiti dinar	0.2924	Sing. $	1.848	UAE dirham	3.672
Fin. markka	3.971	Malay. ring.	2.7095	S. Kor. won	716.60	Venez. boliv.	47.60

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6973	1.6881	1.6794	Canadian dollar	1.1771	1.1826	1.1874
Japanese yen	153.92	153.79	153.66	Swiss franc	1.4208	1.4302	1.4296
Deutsche mark	1.6896	1.6895	1.6894				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

June 18

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8 3/16-8 5/16	7⅞-8	8 ¾-8 ⅞	14⅝-14¾	9⅛-9¼	7 ⅞-7 ⅞	9⅞-10	8¼
2 months	8 3/16-8 5/16	8-8⅛	8 ¾-8 ⅞.7	14⅝-14¾	9⅛-9¼	7⅛-7¼	10-10⅛	8 ⅞
3 months	8 3/16-8 5/16	8⅛-8¼	8 ¾-8 ⅞	14⅞-15	9⅞-10	7¼-7⅜	10 1/16-10 3/16	8⅞
6 months	8⅛-8¼	8⅜-8½	8⅝-8¾	14⅞-15	10⅛-10¼	7 ⅜-7 ½	10 3/16-10 5/16	9 ⅛
1 year	8 ⅛-8 ¼	8⅝-8¾	8 ⅞-8 ⅞	14⅞-14⅞	10¼-10⅜	7 ⅝-7 ¾	10 5/16-10 7/16	9¼

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 18

United States	Close	Prev.
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8¼	8¼
Com paper 30-179 days	7.80	7.75
3-month Treasury bills	7.66	7.68
6-month Treasury bills	7.64	7.61
1-year Treasury bills	7.53	7.48
30-year Treasury bond	8.46	8.42
3-month CD's	7.75	7.55
3-month CD's	7.75	7.55
Japan		
Discount rate	5¼	5¼
Call money	7 7/32	6⅞
2-month interbank	7 9/32	7 9/32
3-month interbank	7 9/32	7¼
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	7.85	7.75
1-month interbank	8.00	8.00
3-month interbank	8.30	8.30
6-month interbank	8.55	8.55
Britain		
Bank base rate	15.00	15.00
Call money	14 13/16	14¾
3-month interbank	14 15/16	14 15/16
6-month interbank	15	14 15/16
France		
Intervention rate	9½	9½
Call money	9 15/16	9 9/16
1-month interbank	9 11/16	9 11/16
3-month interbank	9 15/16	9 15/16
6-month interbank	10⅛	10⅛

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

June 18

1 month	8 ⅛ - 8 ¼
2 months	8 ⅛ - 8 ¼
3 months	8 ⅛ - 8 ¼
6 months	8¼ - 8⅜
1 year	8⅜ - 8½

Source: Reuters.

U.S. Money Market Funds

June 18

Merrill Lynch Ready Assets
30-day average yield: 7.82
Telerate Interest Rate Index: 8.103
Source: Merrill Lynch, Telerate.

GOLD

June 18

	A.M.	P.M.	Ch'ge
Hong Kong		Cld.	
Luxembourg	349.00	—	+ 2.25
Paris (12.5 kilo)	350.70	351.25	+ 2.85
Zurich	348.90	349.35	+ 2.35
London	349.00	349.25	+ 2.35
New York	—	348.75	—

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

IRS Audits Raise Ire of Foreign Banks

By Barry James
International Herald Tribune

Foreign banks operating in the United States indicated Monday that they are in fundamental disagreement with the Internal Revenue Service after the IRS disclosed that it has audited a number of them for possible underpayment or nonpayment of U.S. income taxes.

"We have fundamental problems with the IRS's rules," said Lawrence R. Uhlick, the executive director of the Institute of International Bankers in New York.

While executives of several European banks confirmed the disagreement, they referred all queries to Mr. Uhlick. The institute represents 250 European, Japanese, Canadian and other foreign banks operating in the United States.

Officials at the IRS said audits of foreign banks were stepped up sharply after it was found that nearly two-thirds of them reported no profits from their activities in the United States in the mid-1980s and therefore paid no taxes.

Audits of 10 overseas banks last year generated $100 million in taxes, the officials said.

One U.S. banking lawyer familiar with the dispute, who spoke on condition of anonymity, said there are two fundamental problems — a small one, and a big one.

The small one concerns the allocation of head office expenditures to the U.S. subsidiaries, the lawyer said.

The big one concerns the appropriate means of assessing interest costs, a bank's main expense.

Foreign banks operate in New York in branch form for the same reason that American banks operate abroad in branch form, the lawyer said.

"How do you tax a branch?" he added. "Basically, you allocate a certain amount of gross income, then you allocate a certain amount of expenses, then you deduct expenses from income and you pay taxes on what is left."

He said that banks in most other developed countries allocate to their American branches the income earned in the United States and deduct from it the expenses of doing business in the United States.

But the IRS wants to look at the worldwide operations instead, Mr. Uhlick said.

"The IRS is trying to take their global interest costs and attribute some portion to their operations in the United States," he said. "But just the process of trying to work out what these costs are and then attributing part of them to the United States is incredibly complicated and confusing. This is something that is uniquely a problem of foreign banks versus American banks."

Mr. Uhlick said the dispute causes particular problems for British banks, which consider their U.S. operations to be separate entities under Anglo-U.S. tax treaties.

"The IRS have their rules and want to apply them to foreign banks," the lawyer said. "They have consistently taken the position that treating the branches as a separate entity is not what the IRS wants to do."

Foreign banks control more than 22 percent of U.S. banking assets and hold 28.5 percent of U.S. business loans, according to the trade magazine American Banker, but paid only $210 million in U.S. taxes in 1986, the last year for which the IRS has full figures.

The stepped-up program of audits reflects the tougher mood in Congress about whether foreign business in the United States is paying its fair tax share. Senior IRS officials questioned how powerful foreign banks could set up business in the United States and then not make any money year after year.

Prague Dreams the Impossible Dream

Can It Cushion the Shift From Communist Moth to Capitalist Butterfly?

By Steven Greenhouse
New York Times Service

PRAGUE — There is much talk nowadays about how bumpy Eastern Europe's road to capitalism will be, but Czechoslovakia hopes to defy the odds.

The dream of many Czechoslovak officials is to follow up the velvet revolution that toppled communism last December with a speedy velvet transformation to capitalism.

Many economists say that if any East European country can accomplish a relatively smooth metamorphosis, it is Czechoslovakia.

But other economists and some Western investors complain that Prague's perfectionist officials are becoming bogged down in haggling over the fine points of a reform package.

The move to the free market will certainly push up prices and throw people out of work, but the Czechoslovaks are confident that they have several important advantages over other East European countries.

Their nation of 15.5 million people has a stronger industrial base, lower debt burden and a more skilled labor force than in most of Eastern Europe. The inflation rate is a modest 7 percent, stores are stocked and the country has the second-highest per-capita income in the region after East Germany.

"We have a much better chance to go through this unhappy period than some other Eastern European countries," said the deputy prime minister, Vladimir Dlouhy, who also heads state planning.

Czechoslovaks are fond of reminding visitors that before World War II they ranked No. 10 among nations in per capita income and were called the Yankees of Europe because of their industriousness and pluck.

But officials in Prague admit that their efforts to build a market economy will take longer than East Germany's, mainly because of West Germany's large infusion of aid to the other half of the country.

Even so, Czechoslovakia's change will probably be less painful than East Germany's because German currency unification is expected to cause a violent shake-out for East German industry and an explosion of unemployment.

Many economists are prodding the Prague government to move faster with reforms in order to prevent the heavy hand of central planning from further dragging down the economy.

'People feel they are in a vacuum. They feel that the old system has been abolished and there is not yet a substitute for it.'
Jan Klacek, Czechoslovak economist

"People feel they are in a vacuum" said Jan Klacek, an economist with the Czechoslovak Academy of Sciences. "They feel that the old system has been abolished and that there is not yet a substitute for it."

The main force behind the drive to speed up reforms is the finance minister, Vaclav Klaus, who is urging Czechoslovakia to avoid the mistakes of Poland and Hungary.

Poland's old Communist government let its money supply run wild; prices went haywire. Hungary undertook modest reforms over two decades.

To avoid Poland's inflation, Mr. Klaus says that before removing price controls, Prague should clamp down on the money supply, which will restrict demand and make it hard for companies to raise prices.

Mr. Klaus, 48, has pushed through a tight budget in order to produce a surplus and to fight inflation.

Under Mr. Klaus, Prague is undertaking several novel reforms:

- Over the past three months, the government has gone further than other East European countries to break monopolistic conglomerates into smaller units to help create competition.
- To move prices toward less distorted levels, the government plans to raise them on 30,000 food items by an average of 24.6 percent on July 9. To cushion the blow, the government said it would give every citizen an additional subsidy of $10 a month.
- Recognizing that Czechoslovaks have little money to buy corporate stock, Mr. Klaus wants to distribute free stock-buying vouchers to the public. Dusan Triska, the senior adviser to the finance minister, whom Mr. Klaus wants to head a state privatization office, said new profit-minded owners would press enterprises to be more efficient.

He hopes to sell 1,000 companies in the first round of privatization scheduled for this fall.

- Prague plans to make its currency, the crown, convertible beginning Jan. 1. This is expected to help attract Western investment and technology and increase trade with the West. Imports also will heighten competition for long-insulated state industries.

Czechoslovakia faces some daunting challenges.

Huge investments are needed to clean up the environment and more than 70 percent of its trade is with the nations of the fragmenting bloc once centered on the Soviet Union.

Czechoslovakia is dangerously dependent on heavy industry. It produces more than a ton of steel per capita, one of the highest levels in the world.

Germany to Implement Disputed Trucking Tax

The Associated Press

LUXEMBOURG — West Germany told the European Community Monday that it will implement a controversial truck tax on July 1 at the risk of legal action and border demonstrations.

The 12 EC foreign ministers meeting here failed to end a deadlock over the tax. Germany's EC partners say it violates single market rules.

"The atmosphere was bitter," said H.J. May-Weggen, the Dutch minister whose country is the most ardent opponent of the tax, which ranges from $590 to $5,300 depending on the size of the truck.

The tax will be levied on all trucks including German ones, but the government will give offsetting tax breaks to domestic truckers.

The Dutch minister said that at the request of France, a special panel of EC experts will make proposals to accelerate fiscal harmonization, the lack of which is one reason for the new German tax.

The EC Commission has already threatened to sue West Germany if it implements the tax. The Commission is backed by 11 of the 12 EC nations.

The proposed tax has led to threats from trucking companies to block German border points this summer at the height of the tourist season.

Bonn argues that foreign trucks make extensive use of its highways, but do not pay toward their upkeep. German truckers also pay more for diesel fuel and pay tolls to use French and Italian highways.

2 Japanese Firms Bought U.S. Star Wars Software

Reuters

TOKYO — Nissan Motor Co. and Mitsubishi Heavy Industries Ltd. said Monday that they had purchased software from the firm of a U.S. engineer who was charged on Friday by the U.S. government with smuggling top-secret missile technology to foreign parties.

A Nissan spokeswoman said the group did not buy the software with the knowledge that it might have been applied to top-secret research in the Strategic Defense Initiative, known as Star Wars.

Ronald Hoffman, who was arrested in Los Angeles on Thursday, was accused by U.S. authorities of using his small defense contracting firm, Plume Technology, to export a computer software system known as Contam, a critical element of SDI.

A spokeswoman for Nissan said: "We have found out that Nissan did buy parts of the Contam software package from Plume Technology in July 1986 and Ronald Hoffman's name appears on the purchase."

A spokesman for Mitsubishi Heavy Industries Ltd. said the firm also bought Contam software last October from Plume Technology through a Japanese trading house. But he said Mitsubishi had not negotiated with Mr. Hoffman individually.

A Mitsubishi official, speaking on condition of anonymity, said the company bought the software for use in analyzing a Japanese module for a space station.

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Delors Rejects '2-Speed' EC Monetary Union

Reuters

LUXEMBOURG — Jacques Delors, president of the EC Commission, rejected on Monday suggestions for a "two-speed" monetary union, with some European Community countries left behind because they were economically unprepared or politically unwilling.

A Commission spokesman quoted Mr. Delors as telling a meeting of EC foreign ministers that he felt the requirement for "full and adequate" preparation for an intergovernmental conference to negotiate EC economic and monetary union had been met.

In recent days, the central bank governors of West Germany and France have stirred controversy by suggesting that not all the EC countries might be ready to assume the full disciplines of economic and monetary union at the same time.

Such suggestions, which have been interpreted as implying a "two-speed Europe," have been rejected by countries such as Britain, Italy and others that might move more slowly.

Separately, diplomats said that EC leaders will opt next week to convene a conference to negotiate a political union. Such a conference would run in parallel with the talks to establish economic and monetary union.

On Monday, EC foreign ministers agreed to recommend the move, though they made no attempt to choose between their competing visions of the Community's future. The EC summit meeting in Dublin next Monday and Tuesday is also unlikely to define a precise goal, the diplomats said.

On the economic union question, Mr. Delors said there were outstanding questions that needed to be resolved but that these required political decisions rather than technical preparation.

These questions include:

- Whether monetary union requires a single monetary policy set by a single central bank or a common policy of the 12 national central banks.
- How an economic union would work and ensure convergent economic policies in the 12 member states and how it could be compatible with the goal that decisions be made centrally only when necessary.
- How to erode economic imbalances among EC countries.
- How to make an EC central bank accountable to EC ministers or to the European Parliament.
- What role the European currency unit should play in monetary union.

■ EC Unveils GATT Plan

The European Community on Monday unveiled detailed plans for new rules to liberalize world trade in services, currently worth more than $600 billion a year, The Associated Press reported from Geneva.

The proposal provides for gradually opening markets in sectors such as tourism, transportation, telecommunications and financial services. It aims at setting up a General Agreement on Trade in Services similar to the General Agreement on Tariffs and Trade.

Kaifu Orders Inquiry Into Stock Deal of Aide

By David E. Sanger
New York Times Service

TOKYO — In an embarrassing reminder of the scandals that rocked Japan for more than a year, Prime Minister Toshiki Kaifu Monday was forced to order an investigation into the stock trading activities of one of his top political aides.

The transactions, involving about $200,000, were probably not a violation of the law, according to legal experts. However, they took place only three weeks after Mr. Kaifu took office last summer and ordered that members of his cabinet suspend stock trading.

The political secretary involved was identified as Mitsuo Ando by the Asahi Shimbun, one of Japan's largest newspapers. He is an aide primarily responsible for Mr. Kaifu's fund raising.

Mr. Ando said Monday that he conducted the transaction for himself, adding that it had nothing to do with the prime minister.

[He denied to Kyodo News Agency that it was an insider deal, according to Reuters. "I have been dealing stocks for quite a long time," he was quoted as saying. "I have nothing to be ashamed of because I financed the money by myself and did not commit any insider trading."]

According to the reports, Mr. Ando sold 16,000 shares of Tokyu Car Manufacturing Co., a manufacturer of railway rolling stock and a member firm of a powerful Japanese business group with interests in railroads, department stores and real estate.

The proceeds were used to buy 8,000 shares of Meitec Corp. The company is a small software-engineering firm, and the stock has increased in value by about 60 percent.

Last week another stock scandal hit Japan, when four former senior executives of a large firm, Kokusai Kogyo Co. were arrested on charges that they used insider information. One case allegedly involved the secretary of a fund-raising group for the former prime minister, Yasuhiro Nakasone.

Quiet trading in stock shares to raise funds for politicians, often involving insider information, lay at the root of the Recruit Co. scandal that forced the former prime minister, Noboru Takeshita, from office.

The company's former chairman, Hiromasa Ezoe, is standing trial in Tokyo now on bribery charges, although all of the senior politicians implicated in the affair escaped prosecution.

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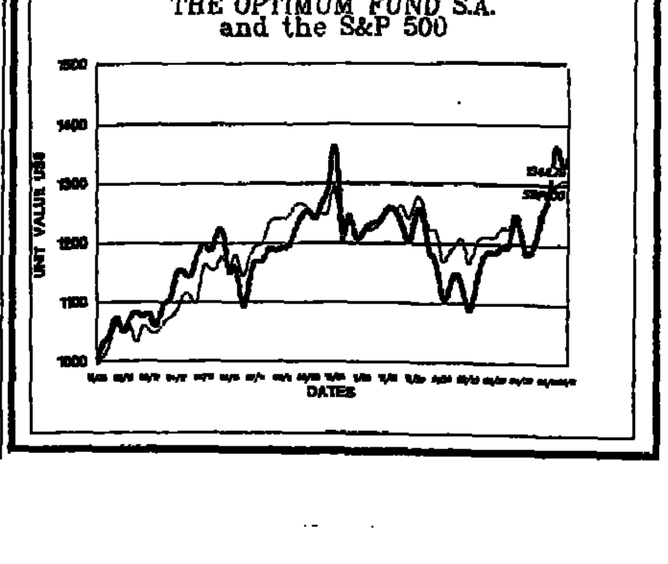


MARKET DIARY

MARKET: *Dow Plunges 53.71*

(Continued from page 1)

analyst at Piper, Jaffray & Hopwood in Minneapolis, blamed program selling for the decline and gave a couple of reasons why it may have appeared on Monday.

He said that on Friday, when futures on options reached quarterly expirations, many program traders unwound their positions. Monday's fall "represents a reversal of the unwinding we saw last week," he said. "Usually after the expirations, the market tends to do the reverse of what it did during the expiration process."

"Second," he added, "the bond market was weak Friday and today after industrial production was reported much stronger than anticipated."

The 30-year Treasury bond fell 14/32 points, to 103.03. That raised its yield to 8.46 percent from 8.42 percent on Friday, when the government reported that industrial output rose 0.6 percent in May, above expectations. Hopes faded that the Federal Reserve Board would lower interest rates in the near future.

In Monday's trading, nearly seven Big Board stocks fell for each two that rose. The New York Stock Exchange index fell 2.93, to 194.93, and Standard & Poor's 500-stock gauge lost 6.03, to 356.88. An average share sank 53 cents.

Volume fell to 133.47 million shares from the 205.15 million traded on Friday.

Global Marine was the most active NYSE issue, down ½ to 4⅜. Barron's magazine reported that a money manager has targeted it as one of three stocks he favors to be sold short. The other two were Stone Container, which finished down 1¾ to 17¾, and Cablevision Systems, down 1 to 29⅛.

Southeast Banking was second in terms of activity, down ½ to 10½, after Friday cutting its dividend, agreeing to sell certain assets of its mortgage unit to Sears Mortgage Corp. and saying that it did not expect a profit for the second quarter or for 1990.

Dollar Suffers Big Fall Against Deutsche Mark

Reuters

NEW YORK — The dollar finished mostly lower Monday, dropping nearly one pfennig and a half against the Deutsche mark from Friday's close.

Concerns that the U.S. economy may be slowing, sparked by some soft economic numbers last week, weighed on the dollar, dealers said. Dollar-yen trading was quiet, with enthusiasm for the yen restrained by reports in a Japanese newspaper about stock purchases by a government official. The reports did not accuse anyone of misconduct but they unnerved some traders anyway.

The dollar closed at 1.6743 DM, down from 1.6884 DM on Friday. Against the yen, the dollar fell to 153.60 from 153.93.

The British pound closed at $1.7150, up from $1.7095 Friday.

The dollar also fell against the Swiss and French currencies. It closed at 1.4155 Swiss francs, compared with 1.4337, and at 5.6315 French francs, down from 5.6775.

The dollar touched 1.6725 DM several times and managed to retrace part of its decline late in the day.

Part of the decline in the dollar against the mark was tied to failure of the dollar to break through 1.7025 marks on Friday.

"I think 1.6700 is going to hold as a bottom this time around," said Frank Pusateri of Bank of Boston. Pusateri said most of the trading was technical, as the dollar's decline through certain chart points around 1.6850 triggered new selling periodically.

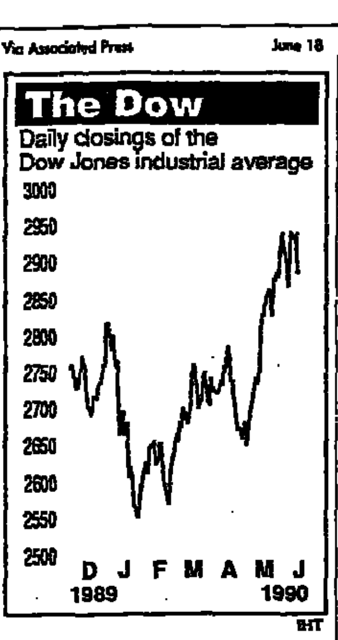
Mark Cohen of Fuji Bank in New York said support levels at 1.6850, 1.6830 and 1.6810 were taken out in succession.

In earlier European trading, the dollar moved in a narrow range and closed lower after its failure to break above key resistance levels against the mark, dealers said.

The dollar closed at 1.6865 DM in London, down from Friday's close of 1.7005.

Foreign Exchange

Via Associated Press June 18



IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
SoestBk	15805	10¼	9⅞	10⅛	—⅜
GibMn	15401	4⅝	4⅜	4⅝	—½
AT&T	15220	42⅜	41¼	41⅞	—⅜
IBM	14915	120⅜	118½	118⅝	—1¾
PhilMrs	13207	44	42⅝	42⅝	—1¼
AmExp	12095	31⅛	30⅛	30⅜	—½
Boeings	12058	60⅛	58½	58⅝	—1⅛
GenEl	12033	70	69⅜	69⅜	—1
NtSemi	11681	7¾	6⅞	7⅛	—½
Chryslr	11394	15⅝	15⅛	15½	+⅜
AbtLabs	11029	39⅜	38⅝	39	+⅜
FordM	9923	45⅝	44⅝	44⅞	—⅝
GnMotr	9508	50¼	48⅜	49⅛	—1⅛
PlumCr	9182	27	24	25¼	—2⅝
McDonl	9144	36	35⅛	35¼	—⅝

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
ENSCO	5366	4⅝	4¼	4⅝	—⅛
Hilhovn	4194	1½	1¼	1½	+⅛
Fruitl.	3956	13½	12⅞	13	—⅜
HomeSh	3575	8⅝	7⅞	8¼	—½
DowCrl	3329	11	10⅝	11	
BAT In	2905	11¼	11⅛	11⅛	—⅛
Amdhl	2744	15⅛	14⅞	15	—⅛
Dk Nk wt	2609	8⅝	7⅜	8⅝	+⅜
SNK 93wt	2481	7⅝	6⅝	7⅝	+⅜
WDigitl	2128	14½	13⅛	13⅛	—½
ContAir	2067	6⅝	6½	6½	—⅛
OSullvn	2058	9⅝	9⅛	9⅝	
SNK 93wt	1870	8¼	7⅛	8¼	+⅝
AExpl	1772	3⅝	3½	3½	
EchoBy	1751	11⅝	11⅛	11⅛	—⅛

NYSE Diary

	Close	Prev.
Advanced	352	617
Declined	1233	835
Unchanged	425	552
Total Issues	2011	1998
New Highs	15	38
New Lows	42	31

Amex Diary

	Close	Prev.
Advanced	152	266
Declined	404	276
Unchanged	255	269
Total Issues	811	811
New Highs	12	18
New Lows	21	18

Previous NASDAQ Diary

	Close	Prev.
Advanced	582	828
Declined	1,424	1,051
Unchanged	2,302	2,427
Total Issues	4,308	4,306

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2925.52	2930.45	2877.48	2882.18	—43.71
Trans	1189.05	1191.42	1172.45	1175.73	—17.52
Util	211.27	211.71	207.56	208.31	—3.40
Comp	1053.16	1055.10	1036.46	1038.83	—17.82

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	424.91	417.90	417.98	—7.81
Transp.	286.48	282.30	282.43	—4.05
Utilities	143.93	141.74	141.74	—2.19
Finance	29.90	29.29	29.29	—0.61
SP 500	362.91	356.88	356.88	—6.03
SP 100	346.47	340.60	340.60	—5.87

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	197.12	194.93	194.93	—2.93
Industrials	243.25	240.52	240.52	—3.66
Transp.	177.55	173.04	176.04	—2.47
Utilities	92.64	92.48	92.48	—1.28
Finance	147.66	145.90	145.90	—2.36

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	460.79	—6.76	462.79	452.89
Industrials	492.21	—8.86	490.27	479.31
Finance	454.59	—4.75	465.94	454.50
Insurance	502.88	—8.33	513.21	500.20
Utilities	659.23	—8.17	662.18	655.43
Banks	343.52	—4.09	355.57	348.86
Transp.	487.70	—6.30	490.92	480.29

AMEX Stock Index

High	Low	Close	Ch'ge
364.06	360.45	360.76	—3.27

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	90.98	—0.07
Utilities	91.90	—0.19
Industrials	90.06	+0.05

Market Sales

NYSE 4 p.m. volume	133,470,000
NYSE prev. cons. close	213,027,370
Amex 4 p.m. volume	11,010,080
Amex prev. cons. close	12,800,000
NASDAQ 4 p.m. volume	157,647,500
NASDAQ prev. 4 p.m. volume	168,499,200
NYSE volume up	13,647,190
NYSE volume down	109,137,950
Amex volume up	2,481,060
Amex volume down	6,094,620
NASDAQ volume up	52,100,646
NASDAQ volume down	81,297,411

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
June 15	594,539	679,281	6,247
June 14	425,969	574,510	7,527
June 13	461,949	657,929	16,025
June 12	515,432	629,349	29,079
June 11	407,906	568,701	16,308

*Included in the sales figures

S&P 100 Index Options

June 18

Strike Price	Calls-Last Jly	Aug	Sep	Oct	Puts-Last Jly	Aug	Sep	Oct
295	—	—	—	—	⅛	—	—	—
300	47⅝	40¼	—	—	⅛	⅜	—	—
305	—	—	—	—	½	1⅛	—	—
310	37⅛	35½	—	—	⅜	1⅛	2⅜	—
315	33⅛	30⅛	—	—	15 1/16	2	3	—
320	27½	26	30	—	⅞	2⅞	4	5⅜
325	19⅞	—	—	—	1⅞	3⅜	4⅝	—
330	15	18⅝	—	—	2½	4⅜	6	7
335	10⅝	13⅝	—	—	3½	5⅜	7½	—
340	7⅝	10⅝	14½	16½	5⅜	7⅝	9⅝	10½
345	5	7⅝	11½	—	7⅝	9⅝	—	—
350	3	5⅝	8½	—	10⅝	13	13½	—
355	1⅞	3⅝	7⅛	—	14⅝	14	—	—
360	⅞	2⅛	4½	—	18⅝	19	18	—
365	⅝	1⅛	3⅝	—	23½	—	22½	—

Calls: total vol. 92,757; total open int. 718,536
Puts: total vol. 114,741; total open int. 607,138
S&P 100 index:
High 346.47 low 340.60 close 340.60 —5.87
Source: CBOE.

Currency Options

June 18

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Jul	Aug	Sep	Puts—Last Jul	Aug	Sep
50,000 Australian Dollars-cents per unit.							
Dollr	75	r	r	r	0.09	r	r
77.94	78	0.42	0.72	r	r	r	r
77.94	79	0.15	r	r	r	r	
31,250 British Pounds-cents per unit.							
Pound	162½	r	r	r	r	r	7.00
171.35	165	6.30	r	r	0.23	0.90	1.70
171.35	167½	r	r	r	0.63	1.40	2.56
171.35	170	2.08	2.36	3.03	1.25	2.82	2.78
171.35	172½	0.90		r	1.95	2.80	r
50,000 Canadian Dollars-cents per unit.							
Dollr	82	r	r	r	r	0.10	r
85.14	82½	r	r	r	r	r	0.28
85.14	83	r	r	r	r	r	0.38
85.14	83½	r	r	r	0.11	r	r
85.14	84	r	r	r	0.18	r	0.78
85.14	84½	r	r	r	0.41	r	1.14
85.14	85	0.47	r	r	0.50	r	r
85.14	86	r	0.16		r	r	r
50,000 Canadian Dollars-European Style.							
Dollar	84½	r	r	r	r	r	1.11
85.14	85	r	r	0.42	r	r	
62,500 West German Marks-cents per unit.							
Mark	56	r	r	r	r	r	0.21
59.65	57	r	r	r	r	0.14	0.31
59.65	58	r	r	r	0.11	0.31	0.50
59.65	58½	r		r	s	0.26	0.46
59.65	59	1.04		r	1.40	0.29	0.58
59.65	59½	0.72	s	s	r	0.76	
59.65	60	0.43	0.70	1.06	0.71	1.00	r
59.65	60½	0.28	r	s	r	r	
59.65	61	r	0.40	0.70	r	r	r
59.65	61½	r	0.24	s	r	r	
59.65	62	r	r	0.35	r	r	r
59.65	63	r	r	0.26	r	r	
6.25 mil Yen-100ths of a cent per unit.							
Yen	63	r	r	r	r	r	0.33
65.03	64	r	r	r	0.18	3.45	0.61
65.03	65	0.61	0.90	1.17	0.52	r	r
65.03	66	0.28	r	r	r	r	r
65.03	66½	0.77	r	s	r	r	
65.03	67	0.10	r	r	r	r	r
65.03	67½	0.06	r	s	r	r	
62,500 Swiss Francs-cents per unit.							
Franc	68	2.75	r	r	0.10	r	r
70.66	69	1.82	r	r	0.23	0.52	1.04
70.66	70	1.08	r	r	0.73	r	r
70.66	70½	0.80	r	s	0.68	r	
70.66	71	0.36	r	r	0.98	r	r
70.66	72	0.31	0.55	r	r	r	r
70.66	73	r	0.30	r	r	r	r
70.66	74	r	r	0.38	r	r	
62,500 Ecus-cents per unit.							
ECU	124	r	r	r	r	3.03	

Total call vol. 11,841 Call open int. 228,368
Total put vol. 13,572 Put open int. 239,351
r—Not traded. s—No option offered.
Last is premium (purchase price).

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.735	0.74
Coffee, lb	0.77	0.80
Copper electrolytic, lb	1.2325	1.2325
Iron FOB, ton	213.00	213.00
Lead, lb	0.45	0.45
Silver, troy oz	4.84	4.785
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	112.00	105.00
Tin, lb	3.7397	3.7181
Zinc, lb	0.83	0.83

European Commodities

LONDON GASOIL
U.S. dollars per metric ton

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
Jul	142.25	142.50	144.75	142.50	145.25	145.50
Aug	143.50	143.75	146.20	143.50	146.50	146.75
Sep	144.00	147.00	148.75	147.00	149.50	149.75
Oct	149.75	150.00	151.00	149.75	151.50	152.00
Nov	151.00	151.50	153.50	151.75	154.00	154.50
Dec	153.50	153.75	155.75	153.75	156.50	157.00
Jan	154.00	154.25	155.00	154.00	156.00	156.50
Feb	151.00	152.50	N.T.	N.T.	153.00	154.50
Mar	145.00	150.50	N.T.	N.T.	149.00	150.00

Volume: 6,121 lots of 100 tons.

PARIS SUGAR
French francs per metric ton

	High	Low	Close Bid	Ask	Ch'ge
Aug	2,185	2,142	2,147	2,150	—36
Oct	2,029	2,010	2,015	2,020	—41
Dec	N.T.	N.T.	1,970	1,990	—30
Mar	1,975	1,965	1,970	1,990	—28
May	N.T.	N.T.	1,945	1,985	—28

Est. vol.: 1,994 lots of 50 tons. Prev. actual sales: 1,599 lots. Open interest: 17,512.
Sugar, Cocoa and Coffee prices were not available Monday due to problems at the source.
Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1576.00	1578.00	1581.00	1584.00
Forward	1595.00	1596.00	1596.00	1597.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1522.00	1524.00	1518.00	1520.00
Forward	1482.00	1483.00	1471.00	1472.00
LEAD Sterling per metric ton				
Spot	490.50	491.00	483.00	483.50
Forward	498.00	499.00	489.00	489.50
NICKEL Dollars per metric ton				
Spot	8650.00	8700.00	8650.00	8675.00
Forward	8600.00	8625.00	8550.00	8600.00
TIN Dollars per metric ton				
Spot	6185.00	6195.00	6155.00	6165.00
Forward	6305.00	6315.00	6270.00	6275.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1704.00	1705.00	1678.00	1682.00
Forward	1643.00	1644.00	1635.00	1638.00

Dividends

Company	Per	Amt	Pay	Rec
STOCK SPLIT				
Golden Valley Micro — 3-for-2				
USUAL				
Airlease Ltd	Q	.63	8-15	6-29
British Am Ins	Q	.10	6-28	6-25
Cape Cod Bank & Tr	Q	.38	7-20	7-6
Colonial Cos cl B	Q	.16	8-3	7-13
DeSoto Inc	Q	.10	7-30	6-27
Hodson Foods cl A	Q	.03	7-13	6-29
Lafshow Enterp	Q	.10	7-13	6-29
Logicon Inc	Q	.09	7-17	6-27
Medical Mgmt Amer	Q	.02¼	7-20	7-5
Mutual Fedl S&L	Q	.05	6-30	6-20
Nucor Corp	Q	.12	8-10	6-29
Permian Prtnrs	Q	.28¼	7-2	8-31
Scott & Stringfellow Fin	Q	.06	7-13	7-6
Second Natl Fed Svg	Q	.09	7-23	6-27
Texas Instrument	Q	.18	7-23	6-26

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

The Daily Source for International Investors.

U.S./AT THE CLOSE

Former Ferranti Executive Ordered to Pay Damages

Reuters

Britain's High Court ordered Monday that an American who was deputy chairman of Ferranti International Signal PLC pay the concern $189 million damages for an alleged fraud involving a U.S. subsidiary.

But the former executive, James Guerin, is living outside the jurisdiction of the court and therefore cannot be forced to comply. Ferranti sued Mr. Guerin, a U.S. citizen, alleging he set up bogus deals between International Signal & Control Corp., which he founded, and several Panamanian concerns. These cost Ferranti almost $190 million.

The court in London heard that Mr. Guerin, now in the United States where he is the subject of a criminal investigation, had admitted through lawyers that he set up the companies and that signatures on the contracts were false. But he would not say what happened to money paid by International Signal. Ferranti unwittingly inherited the contracts when it bought International Signal in 1987.

"If they were not genuine contracts then the money must have been paid out for some ulterior motive and if it was, then Mr. Guerin must know something about what happened," Justice Leonard Hoffmann said in his ruling. The U.S. government has linked the fraud to weapons contracts.

3 U.S. Exchanges Plan Night Trades

NEW YORK (AP) - Three U.S. stock and options exchanges said Monday that they would allow trading through the night using a joint computer network. The American Stock Exchange, the Chicago Board Options Exchange, and the Cincinnati Stock Exchange hope to capture some of the trading conducted abroad when it is night in the United States.

The information network would be provided by Reuters Holdings PLC, while the CBOE would build and operate the main trading computer. The exchanges expect the system will begin working within three years. They plan to continue to compete during the daytime hours.

Other exchanges, specifically the New York Stock Exchange and the Tokyo Stock Exchange, have been invited to join the system.

CFTC Keeps Oversight of Instrument

WASHINGTON (AP) — The Supreme Court on Monday ruled that the Commodity Futures Trading Commission should regulate a new form of financial trading called index participations.

Several options exchanges had challenged a lower court ruling that the CFTC, rather than the Securities and Exchange Commission, oversee the instruments, which are similar to futures contracts on the value of a basket of securities but which do not mature.

Chrysler-Fiat Alliance Rumored

DETROIT (Reuters) — Speculation about a potential alliance between Chrysler Corp. and Fiat SpA intensified Monday, and analysts said the chances that a major deal between the two automakers could emerge are increasing.

A deal between the two companies could take any number of forms, analysts said. It could be as minor as a joint product development program, or as major as an equity affiliation. Fiat declined to comment.

Speculation boosted Chrysler shares 37.5 cents to $15.50.

For the Record

Federal Express Corp. said Monday it acquired Transports Transvendeens Chronoservice, a French courier, on undisclosed terms. *(Reuters)*

Ames Department Stores Inc.'s $250 million debtor-in-possession financing was significantly oversubscribed, Chemical Bank said. Ames filed for bankruptcy protection in April because of problems linked to its $778 million acquisition of the Zayre stores in 1988. *(Reuters)*

Oil Glut Pushes Prices for Crude Sharply Lower

Reuters

LONDON — Oil prices took a sharp drop Monday, with July New York futures declining to the lowest levels in 19 months, because of fears that the current crude petroleum glut is not going away, traders said.

The expiring July contract for light crude oil delivered in the United States fell 70 cents in New York to close at $15.92 per barrel. The more representative August contract for this grade, which is similar to West Texas Intermediate, fell 67 cents and closed at $16.92.

Declines in Europe were less dramatic, but North Sea Brent crude for immediate loading fell 15 cents, to $14.85, while the key Middle East crude, Dubai light, dropped 20 cents, to $13.15.

"Markets remain under pressure because there is no confirmation that key OPEC producers are cutting output to reduce the glut," said Nauman Barakat, a vice president in New York with Shearson Lehman Hutton Inc.

Traders noted that the secretary-general of the Organization of Petroleum Exporting Countries, Subroto of Indonesia, said over the weekend that the group had cut production by only about 400,000 barrels per day. On May 3, OPEC pledged to reduce output by 1.445 million barrels.

The accord was intended to reverse a decline that has taken prices down by about one-third since early January.

Two key over-producers, Kuwait and Iran, were said by trade sources on Monday to be under pressure from Japanese buyers for easier contract terms and some dealers reported that speculation that they might bow to these demands also hit futures prices.

U.S. FUTURES

Via Associated Press June 18

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.85	3.26	Jul	3.26½	3.31½	3.26½	3.30	+.02
3.73	3.33	Sep	3.32½	3.36½	3.31½	3.35¼	+.01¾
3.80	3.47	Dec	3.46	3.50	3.45½	3.49½	+.01¼
3.85	3.52½	Mar	3.54¼	3.55¾	3.51	3.56½	+.02
3.73	3.45	May	3.49	3.51	3.48½	3.49¼	—.01¼
3.63	3.30	Jul	3.45	3.45	3.43½	3.43½	—.02½
Est. Sales		Prev. Sales 12,870					
Prev. Day Open Int. 64,281 up 613							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.95¾	2.31	Jul	2.81¾	2.87	2.80½	2.86½	+.03½
2.91	2.29	Sep	2.77	2.83½	2.76½	2.83	+.04¾
2.87¼	2.32	Dec	2.72½	2.80½	2.71¼	2.80½	+.06¼
2.92¾	2.41	Mar	2.77½	2.86	2.77¼	2.86	+.05¾
2.96	2.49¾	May	2.82½	2.89½	2.81½	2.88¾	+.05¾
2.98	2.63	Jul	2.84¾	2.91½	2.84	2.90¾	+.06
2.83¼	2.65	Sep	2.71½	2.76	2.71½	2.76	+.04
2.75	2.59	Dec	2.62½	2.67	2.62½	2.66¾	+.04¼
Est. Sales		Prev. Sales 47,676					
Prev. Day Open Int.244,970 off 2,102							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.31	5.78	Jul	5.86	5.96½	5.82	5.95	+.10
7.05	5.78	Aug	5.88½	6.02½	5.88½	6.02¼	+.11¾
6.76	5.68	Sep	5.93	6.06	5.93	6.05¼	+.08¾
6.82	5.64½	Nov	5.99½	6.15	5.99½	6.14½	+.10¾
6.91	5.87	Jan	6.11½	6.25½	6.11½	6.24¼	+.09
7.01	5.45½	Mar	6.23½	6.36	6.23½	6.36	+.10
7.06	6.14½	May	6.34	6.45½	6.34	6.45½	+.09½
6.59	6.59	Aug				6.55	+.11
6.51	6.20	Nov	6.33	6.40	6.33	6.40	+.02
Est. Sales		Prev. Sales 32,160					
Prev. Day Open Int.116,993 off 1,577							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
208.00	167.80	Jul	172.00	174.00	171.10	173.40	+1.30
198.00	170.10	Aug	173.00	175.50	172.50	175.10	+1.60
200.00	171.50	Sep	175.20	177.30	174.60	176.80	+1.10
200.00	173.80	Oct	176.50	178.80	176.50	178.30	+1.30
205.50	174.00	Dec	179.50	182.40	178.80	181.40	+1.10
204.00	178.00	Jan	180.80	182.90	180.50	182.50	+1.30
212.00	181.00	Mar	184.00	185.90	184.00	185.70	+.70
208.00	185.50	May	185.50	187.30	185.50	187.00	+1.00
209.00	186.00	Jul	188.50	188.50	188.50	188.50	+1.00
Est. Sales		Prev. Sales 11,395					
Prev. Day Open Int. 70,454 up 352							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.80	19.50	Jul	23.62	24.18	23.52	24.13	+.36
25.15	19.50	Aug	23.58	24.02	23.36	23.98	+.35
24.80	19.50	Sep	23.35	23.87	23.25	23.86	+.37
24.35	19.45	Oct	23.05	23.60	23.00	23.55	+.45
24.12	19.75	Dec	22.75	23.37	22.67	23.33	+.47
23.95	19.81	Jan	22.50	23.15	22.50	23.15	+.50
23.81	19.82	Mar	22.60	23.05	22.58	22.95	+.45
23.70	20.15	May	22.75	22.90	22.75	22.82	+.47
23.70	21.05	Jul				22.69	+.44
		Aug				22.70	+.48
Est. Sales		Prev. Sales 12,692					
Prev. Day Open Int.103,268 off 682							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
76.82	69.75	Jun	76.72	77.07	76.65	76.97	+.30
74.47	69.12	Aug	74.25	74.87	74.22	74.75	+.48
76.85	68.30	Oct	75.70	76.10	75.65	76.00	+.15
76.40	71.00	Dec	75.50	75.85	75.45	75.77	+.20
76.15	72.50	Feb	75.10	75.55	75.10	75.40	+.23
77.00	74.15	Apr	76.32	76.47	76.25	76.47	+.12
74.60	72.75	Jun	73.05	73.42	73.05	73.40	+.25
Est. Sales 13,697		Prev. Sales					
Prev. Day Open Int.							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
85.55	78.50	Aug	85.00	85.70	85.00	85.37	+.72
84.77	78.00	Sep	84.50	84.85	84.50	84.65	+.43
84.15	78.20	Oct	83.85	84.25	83.80	84.00	+.35
84.10	79.00	Nov	83.85	84.25	83.82	84.00	+.35
83.90	79.75	Jan	83.75	83.87	83.65	83.97	+.10
82.67	80.90	Mar	82.65	82.65	82.65	82.70	+.20
82.50	81.35	Apr				82.47	+.07
82.40	81.70	May	82.00	82.25	82.00	82.30	
Est. Sales 1,521		Prev. Sales 1,375					
Prev. Day Open Int. 10,572 off 217							
HOGS (CME) 30,000 lbs.- cents per lb.							
67.45	44.25	Jun	61.35	61.35	60.27	61.27	+.10
65.32	44.95	Jul	58.70	59.70	58.10	59.55	+.25
63.42	43.70	Aug	57.00	57.80	56.40	57.47	+.25
55.70	40.80	Oct	51.30	51.95	50.90	51.67	—.15
53.45	44.25	Dec	51.00	51.40	50.50	51.05	—.47
52.95	45.25	Feb	49.10	49.20	48.60	49.20	—.10
48.65	45.15	Apr	46.80	47.15	46.65	46.85	—.05
51.85	50.00	Jun	49.80	50.00	49.65	50.00	
Est. Sales 17,398		Prev. Sales 16,849					
Prev. Day Open Int. 45,776							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
71.60	39.95	Jul	65.40	65.45	64.45	64.45	—2.00
69.15	39.30	Aug	62.60	63.00	61.67	62.10	—1.57
63.65	48.07	Feb	60.25	61.20	59.60	61.05	+.40
62.95	50.30	Mar	59.80	59.80	59.30	60.70	+.65
63.00	57.00	May				61.40	+.80
Est. Sales 4,827		Prev. Sales 4,427					
Prev. Day Open Int. 13,052 off 466							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
132.25	74.85	Jul	87.50	88.95	87.40	88.70	+.70
120.00	77.25	Sep	90.10	91.35	89.80	91.20	+.65
109.50	81.00	Dec	93.50	94.80	93.30	94.55	+.65
116.75	83.00	Mar	96.25	96.95	96.20	96.75	+.45
120.00	91.25	May	98.25	99.00	98.25	99.00	+.75
110.00	92.75	Jul	100.00	100.00	100.00	100.90	+.58
108.90	101.50	Sep				102.75	+.50
Est. Sales 5,836		Prev. Sales 9,545					
Prev. Day Open Int. 41,991 off 193							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
16.27	10.55	Jul	12.54	12.61	12.32	12.55	—.12
14.13	10.41	Oct	12.32	12.47	12.15	12.41	—.09
15.22	11.45	Mar	11.80	11.97	11.65	11.93	—.10
15.05	11.65	May	11.80	11.95	11.70	11.94	—.09
14.90	11.56	Jul	11.65	11.78	11.60	11.78	—.12
14.40	11.72	Oct				11.62	—.13
Est. Sales 19,547		Prev. Sales 30,113					
Prev. Day Open Int.161,185 off 2,370							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1525	921	Jul	1208	1224	1200	1222	+16
1541	941	Sep	1247	1259	1236	1252	+9
1558	965	Dec	1280	1292	1270	1285	+9
1581	985	Mar	1313	1313	1294	1309	+9
1572	1000	May	1325	1328	1325	1329	+9
1590	1040	Jul	1350	1350	1350	1342	+7
1515	1303	Sep				1357	+6
Est. Sales 5,515		Prev. Sales 12,199					
Prev. Day Open Int. 50,708 up 582							

Est. Sales 5,515 Prev. Sales 12,199
Prev. Day Open Int. 50,708 up 582

Season High	Season Low		Open	High	Low	Close	Chg.
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
205.50	123.00	Jul	178.80	179.70	176.00	176.30	—3.20
202.00	123.00	Sep	177.10	177.10	172.10	172.70	—5.00
199.50	124.00	Nov	172.50	172.50	172.50	172.50	—5.00
191.00	125.00	Jan	169.70	170.80	169.70	169.70	—5.00
190.50	170.50	Mar	171.00	171.00	169.50	169.50	—5.00
190.00	171.75	May	168.50	168.50	168.50	168.50	—5.00
180.00	180.00	Jul				168.50	—5.00
Est. Sales		Prev. Sales 4,052					
Prev. Day Open Int. 10,208 up 822							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER 25,000 lbs.- cents per lb.							
123.80	95.20	Jun	114.00	115.25	114.00	115.10	+2.00
119.25	93.25	Jul	111.60	115.40	111.50	113.90	+2.10
113.20	95.00	Aug	112.90	113.50	112.50	112.20	+2.50
113.30	92.50	Sep	108.50	112.00	108.30	110.20	+1.50
109.50	94.50	Oct				108.80	+1.75
107.70	94.50	Nov				107.40	+1.65
110.00	91.50	Dec	105.00	108.00	105.00	106.00	+1.50
105.00	94.00	Jan				105.10	+1.50
103.00	99.50	Feb				103.80	+1.40
106.00	92.20	Mar	101.00	102.90	101.00	102.80	+1.80
101.00	100.80	Apr				102.20	+1.80
103.40	97.00	May				101.50	+1.80
99.70	96.75	Jul				100.35	+1.80
97.75	97.05	Sep				99.45	+1.80
96.50	96.05	Dec				98.25	+1.80
		Jan				97.75	+1.80
96.50	96.50	Mar				96.45	+1.80
Est.Sales 70,600		Prev.Sales 6,893		Prev.Day Open Int. 29,291		Chg. —1,866	
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
75.00	73.00	Jun				73.50	
95.50	66.00	Jul				73.50	
75.00	75.00	Aug				73.50	
76.00	74.50	Sep				73.50	
75.80	75.00	Dec				73.50	
75.00	75.00	Jan				73.50	
75.00	75.00	Mar				73.50	
75.00	75.00	May				73.50	
75.00	75.00	Jul				73.50	
		Sep				73.50	
75.00	75.00	Dec				73.50	
75.00	75.00	Jan				73.50	
75.00	75.00	Mar				72.50	
Est. Sales		Prev. Sales					
Prev. Day Open Int. 6							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
524.0	474.0	Jun	483.0	483.1	481.1	482.5	+1.4
761.5	476.2	Jul	483.0	485.9	482.0	483.7	+1.2
511.0	511.0	Aug				487.5	+1.2
760.0	484.5	Sep	491.5	493.5	490.0	491.7	+1.2
742.0	494.5	Dec	501.0	504.5	501.0	502.7	+1.5
688.0	499.0	Jan	507.0	508.0	507.0	506.0	+1.6
665.0	506.0	Mar	514.5	515.5	511.0	513.4	+1.8
647.0	514.0	May	521.0	522.0	519.0	520.7	+1.9
667.5	522.0	Jul	529.0	529.0	527.0	528.1	+2.0
654.0	530.0	Sep	539.0	539.0	535.5	536.0	+2.0
623.5	540.0	Dec	547.0	549.0	547.0	547.4	+2.0
596.0	550.0	Jan				550.8	+2.0
613.0	565.0	Mar				559.5	+2.0
Est. Sales 13,000		Prev. Sales 24,665					
Prev. Day Open Int.110,645 up 1,271							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
556.00	465.00	Jul	478.00	480.30	477.00	479.10	+3.10
560.50	473.00	Oct	482.50	486.00	482.50	484.60	+3.40
531.00	484.00	Jan	489.00	490.50	489.00	489.80	+3.50
534.50	488.20	Apr	495.00	495.00	495.00	495.10	+3.70
528.50	495.00	Jul				499.80	+3.70
Est. Sales 1,580		Prev. Sales 4,225					
Prev. Day Open Int. 15,568 off 168							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
175.00	115.00	Jun				113.80	+.15
149.50	113.25	Sep	115.00	115.75	114.75	115.80	+.15
147.80	114.75	Dec	116.75	116.75	116.75	116.30	+.05
142.00	116.50	Mar				117.60	—.05
125.25	125.00	Jun				119.35	—.05
Est. Sales 190		Prev. Sales 223					
Prev. Day Open Int. 5,392 up 62							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
497.80	346.80	Jun	350.40	350.40	349.50	349.30	—.30
379.50	356.00	Jul				349.80	—.50
487.00	348.20	Aug	352.70	353.30	350.80	352.00	—.30
472.00	352.50	Oct	357.80	357.80	355.40	356.40	—.30
455.50	357.00	Dec	361.40	362.30	360.00	361.00	—.30
457.50	362.00	Feb	367.00	367.00	365.50	365.60	—.30
460.00	366.20	Apr	371.00	371.00	370.30	370.00	—.30
466.30	372.80	Jun	375.50	375.50	375.30	374.60	—.30
468.00	375.00	Aug				379.10	—.30
476.00	389.20	Oct				383.70	—.30
483.00	385.50	Dec				388.40	—.30
433.00	397.00	Feb				392.30	—.30
412.50	396.50	Apr				398.10	—.30
Est. Sales 20,000		Prev. Sales 19,481					
Prev. Day Open Int.117,247 up 386							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.65	91.10	Jun	92.26	92.27	92.25	92.26	—.02
93.65	91.28	Sep	92.49	92.50	92.43	92.44	—.08
92.32	91.61	Dec	92.50	92.50	92.46	92.46	—.08
93.20	91.66	Mar	92.52	92.52	92.49	92.49	—.08
92.70	91.52	Jun	92.41	92.41	92.38	92.38	—.09
92.56	91.60	Sep				92.48	
Est. Sales 3,740		Prev. Sales 5,580					
Prev. Day Open Int. 21,021 off 1,175							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
101-6	92-26	Jun	96-21	96-21	96-16	96-17	—9
100-14	92-24	Sep	96-23	96-25	96-12	96-14	—9
97	94-9	Dec	96-12	96-13	96-10	96-11	—9
96-23	94-20	Mar				96-8	—9
Est. Sales		Prev. Sales 31,422					
Prev. Day Open Int. 77,806 off 1,135							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
100-15	75	Jun	94-10	94-10	93-26	93-29	—13
100-4	79-1	Sep	94-6	94-6	93-16	93-20	—13
99-24	80	Dec	93-23	93-26	93-8	93-11	—13
99-12	79-21	Mar	93-9	93-9	93-2	93-3	—13
99-4	82-18	Jun	92-28	93	92-28	92-28	—12
99-5	86-4	Sep	92-24	92-24	92-22	92-22	—11
98-20	87-19	Dec	92-19	92-19	92-16	92-16	—10
98-13	87-18	Mar	92-13	92-13	92-10	92-10	—10
97-19	87-19	Jun				92-4	—10
97-12	87-14	Sep				91-30	—10
Est. Sales		Prev. Sales400,452					
Prev. Day Open Int.287,360 off 6,478							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
95-13	87-2	Jun	91-15	91-17	91-10	91-11	—8
95-11	86-21	Sep	90-28	91	90-16	90-23	—10
91-2	86-30	Dec	90-22	90-23	90-11	90-11	—11
Est. Sales		Prev. Sales 2,574					
Prev. Day Open Int. 9,225 off 331							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.45	88.82	Jun	91.68	91.69	91.68	91.69	+.02
92.29	88.74	Sep	91.71	91.71	91.66	91.68	—.05
92.15	89.85	Dec	91.63	91.63	91.58	91.59	—.07
92.01	89.96	Mar	91.60	91.61	91.55	91.56	—.07
91.85	89.91	Jun	91.46	91.48	91.42	91.43	—.07
91.83	90.04	Sep	91.36	91.36	91.29	91.30	—.07
91.78	90.84	Dec	91.19	91.21	91.14	91.15	—.07
91.82	90.09	Mar	91.15	91.15	91.10	91.11	—.07
91.74	90.35	Jun	91.05	91.05	91.01	91.01	—.07
91.72	90.32	Sep	90.97	90.97	90.94	90.94	—.07
91.53	90.24	Dec	90.84	90.84	90.81	90.81	—.07
91.65	90.28	Mar	90.79	90.81	90.77	90.77	—.07
91.51	90.27	Jun	90.70	90.70	90.66	90.66	—.06
91.47	90.27	Sep	90.64	90.64	90.59	90.61	—.06
91.37	90.22	Dec	90.58	90.58	90.54	90.55	—.06
90.77	90.24	Mar	90.57	90.59	90.55	90.56	—.06
Est. Sales		Prev. Sales256,601					
Prev. Day Open Int.725,399 up 2,760							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.7150	1.4400	Jun	1.7076	1.7104	1.7050	1.7066	—34
1.7700	1.5290	Sep	1.6804	1.6886	1.6802	1.6870	+40
1.6620	1.5640	Dec	1.6570	1.6642	1.6570	1.6620	+36
Est. Sales 9,565		Prev. Sales 14,718					
Prev. Day Open Int. 41,745 up 2,378							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8570	.8088	Jun	.8532	.8538	.8532	.8534	—5
.8470	.8093	Sep	.8422	.8426	.8396	.8378	—31
.8420	.8050	Dec	.8323	.8323	.8300	.8299	—31
.8365	.7998	Mar	.8251	.8251	.8225	.8223	—31
.8299	.7995	Jun	.8180	.8180	.8170	.8151	—31
.8150	.7988	Sep	.8098	.8098	.8098	.8086	—31
Est. Sales 5,223		Prev. Sales 9,120					
Prev. Day Open Int. 30,514 off 395							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6153	.5057	Jun	.5923	.5936	.5923	.5933	+7
.6155	.5525	Sep	.5925	.5982	.5924	.5965	+39
.6150	.5769	Dec	.5916	.5980	.5914	.5960	+41
.6146	.5880	Mar	.5918	.5928	.5918	.5954	+41
Est. Sales 38,700		Prev. Sales 68,377					
Prev. Day Open Int. 75,843 up 4,234							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007530	.006254	Jun	.006484	.006493	.006484	.006492	—3
.007390	.006268	Sep	.006502	.006527	.006501	.006519	+7
.007080	.006290	Dec	.006519	.006538	.006519	.006535	+7
.006705	.006315	Mar	.006530	.006530	.006530	.006553	+7
Est. Sales 22,432		Prev. Sales 52,445					
Prev. Day Open Int. 67,044 off 5,147							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7205	.5850	Jun	.6982	.6996	.6981	.6994	+13
.7292	.6050	Sep	.6973	.7067	.6970	.7050	+79
.7197	.5600	Dec	.6982	.7045	.6982	.7046	+80
.7165	.6500	Mar				.7054	+80
.6970	.6916	Sep				.7074	+79
Est. Sales 27,956		Prev. Sales 35,455					
Prev. Day Open Int. 47,049 up 515							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
207.70	177.50	Jul	205.20	205.30	204.10	204.20	—1.20
206.80	192.00	Sep	205.20	205.20	204.10	204.30	—1.10
202.80	189.90	Nov	201.20	201.20	200.30	200.60	—.90
205.00	186.30	Jan	204.80	204.00	204.00	204.00	—.70
206.00	191.00	Mar	204.10	204.20	204.00	204.00	—1.80
206.60	196.50	May	203.00	203.00	203.00	203.00	—2.50
Est. Sales 659		Prev. Sales 13,499					
Prev. Day Open Int. 74,981 off 57,849							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
82.56	63.70	Jul	81.24	81.46	80.49	81.28	+.45
76.05	63.95	Oct	75.85	76.75	75.80	76.72	+1.01
72.50	62.80	Dec	72.70	73.80	72.47	72.75	+1.29
73.25	63.82	Mar	73.55	74.45	73.50	74.45	+1.17
73.70	64.40	May	73.75	74.80	73.75	74.80	+1.10
77.40	65.67	Jul				74.60	+1.00
68.30	67.70	Oct	67.80	69.00	67.80	68.60	+.40
		Dec	67.25	67.75	67.25	67.95	+.48
Est. Sales 10,000		Prev. Sales 5,281					
Prev. Day Open Int. 38,765 off 227							
HEATING OIL (NYME) 42,000 gal- cents per gal							
57.20	46.30	Jul	48.00	48.45	47.80	47.90	—.47
57.40	47.20	Aug	48.60	48.95	48.25	48.25	—.65
58.00	48.00	Sep	50.20	50.50	49.80	49.90	—.52
58.50	50.50	Oct	51.25	51.80	50.85	50.85	—.47
59.40	51.15	Nov	52.45	52.80	52.30	52.30	—.32
60.15	52.75	Dec	53.30	53.80	53.10	53.10	—.47
60.40	53.40	Jan	54.10	54.15	53.70	53.70	—.27
60.00	53.50	Feb	53.60	53.80	53.60	53.60	—.02
56.75	51.90	Mar	52.05	52.10	51.75	51.95	+.23
53.90	50.25	Apr	50.45	50.50	50.45	50.50	+.43
53.15	49.30	May	49.30	49.90	49.50	49.50	+.48
51.80	48.80	Jun	49.50	49.15	49.00	49.00	+.53
Est. Sales 19,568		Prev. Sales 24,293					
Prev. Day Open Int.115,894 off 623							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
21.80	14.33	Jul	16.62	16.64	15.90	15.92	—.70
21.63	14.39	Aug	17.50	17.54	16.88	16.92	—.67
21.52	14.50	Sep	18.08	18.11	17.60	17.65	—.47
21.46	14.50	Oct	18.48	18.48	18.05	18.07	—.46
21.48	17.20	Nov	18.79	18.79	18.45	18.50	—.34
21.50	12.80	Dec	19.08	19.08	18.70	18.70	—.38
21.45	17.87	Jan	19.19	19.19	18.95	18.95	—.28
21.35	18.15	Feb	19.16	19.32	19.10	19.10	—.21
21.52	18.40	Mar	19.35	19.32	19.21	19.21	—.18
21.45	18.03	Apr	19.25	19.38	19.26	19.26	—.20
21.45	16.65	May	19.35	19.35	19.33	19.34	—.18
21.45	17.98	Jun	19.55	19.55	19.48	19.48	—.18
		Jul	19.53	19.53	19.53	19.53	—.10
Est. Sales114,372		Prev. Sales 85,800					
Prev. Day Open Int. 91,445 off 97,717							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
374.90	329.00	Sep	366.80	367.20	361.15	361.90	—6.85
378.90	333.50	Dec	371.40	371.40	366.00	366.65	—6.05
383.20	343.30	Mar	371.50	371.50	370.05	370.65	—6.85
Est. Sales		Prev. Sales 37,625					
Prev. Day Open Int.135,360							
VALUE LINE (KCBT) points and cents							
297.90	272.80	Sep	292.50	292.70	287.60	287.75	—5.35
Est. Sales		Prev. Sales 207					
Prev. Day Open Int. 1,207 off 353							
NYSE COMP. INDEX (NYFE) points and cents							
209.00	181.00	Sep	200.80	200.35	196.90	197.10	—3.35
206.50	185.75	Dec	202.40	202.40	199.85	199.50	—3.75
204.00	193.15	Mar	204.75	204.75	202.30	201.90	—3.75
		Jun				204.30	—3.75
Est. Sales		Prev. Sales					
Prev. Day Open Int.							

Commodity Indexes

	Close	Previous
Moody's	1,137.18 f	1,128.40 f
Reuters	1,845.70	1,838.00
D.J. Futures	131.31	130.56
Com. Research	236.66	235.46

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

WORLD STOCK MARKETS

Agence France Presse June 18

Amsterdam

	Close	Prev.
ABN Bank	36.10	36.20
ACF Holding	40.50	42
Aegon	127	127.20
Ahold	142.30	146
Akzo	122.40	123.70
AMEV	56.80	56.70
A'Dam Rubber	5.05	5.20
Amro Bank	71.80	72.10
Bols	179.30	179.50
Buhrmann Tett	69.30	69.70
BVG	25.60	25.60
Center Parcs	60.80	60.20
CSM	82.30	83.60
DAF	29	29.30
DSM	115.10	116.90
Elsevier	88.90	89.70
Fokker	46.80	47.60
Gist-Brocades	34.70	35
Heineken	122	124.20
Hoogovens	69.20	69.50
Hunter Douglas	104.70	104.80
IHC Caland	49.50	49.50
Inter Mueller	96	96
KLM	35.90	35.90
KNP	44.80	45.50
Nat Neder	71.90	72.20
Nedlloyd	80.50	82
NMB Bank	47.80	49.50
Oce Grinten	59	59.60
Pakhoed	198	198.30
Philips	31.90	31.90
Robeco	100.20	100.50
Rodamco	80	81
Rolinco	100.30	N.A.
Rorento	59.30	59.30
Royal Dutch	142.40	143.90
Unilever	155.80	157.50
Van Ommeren	43.80	44.50
VMF Stork	55.80	55.40
VNU	101	101.20
Wessanen	71.30	72
Wolters/Kluwer	51.40	51.70

CBS Gen'l trend index : 119.10
Previous : 120.00

Brussels

	Close	Prev.
AG Fin	9840	9710
Arbed	5490	5520
Barco	2425	2400
Bekaert	15000	14950
Cockerill	198	200
Cobepa	5770	5750
Delhaize	6450	6400
EBES	3960	3970
GB-Inno-BM	1366	1380
GBL	3945	3950
Gevaert	8680	8690
Hoboken	18025	18025
Intercom	3235	3195
Kredietbank	4095	4155
Petrofina	12075	12150
Royal Belge	5600	5650
Soc Gen Baue	N.A.	—
Soc Gen (resrv)	N.A.	3255
Sofina	13400	13500
Solvay	13850	14000
Tractebel	8500	8560
UCB	23000	23000
Unerg Ps	2300	2345

Current Stock Index : 6279.42
Previous : 6301.73

Frankfurt

	Close	Prev.
AEG	280.20	278
Allianz Hold	2550	2515
Altana	490	491.90
Asko	934	925
BASF	283.50	288
Bayer	285	292.50
Bay Vereinsbk	395	375
BBC	971	940
BHF Bank	458	458
BMW	561.50	566
Commerzbank	269	269.40
Continental	316.50	319.90
Daimler Benz	798	796
Degussa	459	456
Dt Babcock	201	197.20
Deutsche Bank	764	761.50
Douglas	832	835
Dresdner Bank	411.50	412.50
Feldmuehle	515.80	513.70
Harpener	N.Q.	488
Henkel	620	618
Hochtief	1375	1390
Hoechst	263.50	265.10
Hoesch	342	340.20
Holzmann	1551	1545
Horten	269	268
IWKA	390	387
Kali Salz	261	260
Karstadt	648	642
Kaufhof	606	605
KHD	255	259
Kloeckner Werke	210	207
Krupp Stahl	410	415
Linde	976	976
Lufthansa	174.50	171
MAN	468	465
Mannesmann	344	336
Metallgesell	584.50	589
Muench Rueck	2160	N.A.
Nixdorf	306	312
PKI	540	533
Porsche	1130	1135
Preussag	437.80	430.50
PWA	317	314
RWE	463.80	463
Rheinmetall	448	445
Schering	780.60	772
SEL	382	374
Siemens	708	706.50
Thyssen	272	270
Varta	382	381
Veba	415	411
VEW	223.50	224
Viag	396	407
Volkswagen	593	591.50
Wella	724	731

DAX Index : 1797.42
Previous : 1792.26
FAZ Index : 708.72
Previous : 709.24

Helsinki

	Close	Prev.
Amer A	112	120
Enso-Gutzeit	33	33.50
K.O.P.	50	51
Kymmene	90	88
Nokia	106	107
Pohjola	160	160
Stockmann	190	190
United Papers	180	184
Wartsila	410	410

Unitas Index : 567.60
Previous : 571.20

Market Closed

The stock market in Hong Kong was closed Monday for a holiday.

Johannesburg

	Close	Prev.
AECI	17.75	18
Altech	65	65
Anglo Amer	109.50	107.50
Barlows	35.75	35.50
Blyvoor	9.75	9.50
Buffels	50.25	50.25
GFSA	75	74
Harmony	22.75	22
Highveld Steel	18	17.75
Kloof	32.65	31.75
Nedbank Grp	10.55	10.65
Rusplat	84.50	82.50
SA Brews	37	37.50
St Helena	37.25	37.25
Sasol	12.65	12.50
Welkom	20	19
Western Deep	108	105

Composite Stock Index : 2977
Previous : 2963

London

	Close	Prev.
Allied Lyons	5	5.04
Anglo Am Gld	44.56	42.44
AA Corp	15.88	15.84
Asda-MFI Gp	1.14	1.16
Ass Brit Foods	4.10	4.19
Barclays	3.87	3.92
Bass	10.90	10.93
B.A.T.	6.48	6.60
Blue Circle	2.55	2.60
BOC Group	6	6
Boots	2.90	2.93
Bowater	5.34	5.45
BAe	5.60	5.70
BAA	4.24	4.18
Brit Airways	2.20	2.18
British Gas	2.17	2.19
BP	3.21	3.25
British Steel	1.46	1.47
Brit Telecom	2.93	2.96
BTR	4.40	4.50
Burmah Oil	6.30	6.33
Cable Wire	5.30	5.38
Cadbury Sch	3.53	3.55
Charter Cons	4.63	4.60
Comm Union	5.12	5.17
Cookson	2.61	2.63
Courtaulds	3.52	3.50
Dalgety	3.78	3.82
De Beers	N.Q.	—
Dixons	1.44	1.46
Driefontein	5.70	5.48
Eurotunnel	4.93	4.92
Fisons	3.54	3.54
Gen Acc F	11	11.18
GEC	2.16	2.17
GKN	4.03	4.01
Glaxo	8.17	8.27
Grand Met	6.38	6.48
Gt Univ Stores	13.50	13.50
GRE	2.34	2.43
Guinness	7.83	7.87
Hanson Tr	2.46	2.46
Hawker Sidd	6.84	6.93
ICI	12.22	12.37
Kingfisher	3.49	3.51
Land Sec	5.03	5.09
Legal Gen Grp	4.07	4.15
Lloyds Bank	2.88	2.90
Lonrho	2	2.02
Lucas Ind	1.69	1.71
Marks Sp	2.32	2.35
Maxwell	2.05	2.07
MB Group	2.21	2.22
Midland Bk	2.94	2.98
NatWest	3.32	3.44
Pearson Grp	7.65	7.83
P and O	6.34	6.42
Pilkington	2.07	2.09
Prudential	2.24	2.26
Racal Elec	2.05	2.08
Randfontein	2.65	2.54
Rank Org	8.43	8
Reed Intl	4.50	4.52
Reuters	12	12.90
Rolls Royce	2.23	2.22
Royal Dutch	44.13	44.25
RTZ	5.77	5
Saatchi	0.91	0.92
Sainsbury	2.77	2.84
Sears Holds	0.98	1.03
Shell	4.55	[illegible]
Siebe	5.40	5.44
STC	2.67	2.71
Std Chart Bk	4	4.83
Storehouse	1.30	1.26
Sun Alliance	3.36	3.33
Tate and Lyle	3.06	3.04
Tesco	2.13	2.20
Thorn EMI	7.70	7.46
T.I. Group	5.07	5.13
Trafalgar Hse	3.16	3.22
THF	2.99	3.06
Ultramar	3.36	3.41
Unilever	6.78	6.88
Utd Biscuits	3.56	3.62
Vickers	2.36	2.43
War Loan 3½	33	33.06
Wellcome	6.42	6.45
Woolworth	19.88	20

F.T. 30 Index : 1971.90
Previous : 1925.90
F.T.S.E. 100 Index : 2378.50
Previous : 2382.30

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3010	3050
Banco Central	4800	4800
Bco. Santander	4630	4650
Banesto	3660	3760
CEPSA	2090	2080
Dragados	3235	3275
Iberduero	659	664
Telefonica	843	845

S.E. General Index : 283.37
Previous : 284.25

Milan

	Close	Prev.
Banca Comm	5331	5299
Bastogi	339	345
Ciga hotels	6152	6105
CIR	5680	5710
Cred Ital	2730	2725
Enimont	1455	1450
Eridania	9690	9800
Ferruzzi Fin.	3128	3137
Ferruzzi Agr.	2832	2820
Fiat SPA	10340	10475
Generali	44450	44400
IFI	29600	29500
Italcem	15130	15000
Italgas	2945	2954
Italmobiliare	22850	22400
Mediobanca	21700	21400
Montedison	2114	2095
Olivetti	6990	6900
Pirelli	2826	2900
RAS	27700	27650
Rinascente	8045	7900
Saipem	2725	2700
SIP	1670	1665
SME	4685	4665
Snia	2800	2780
Standa	32500	32950
Stet	6710	6678
Toro Assi Risp	27500	27380

a: x 100.
MIB current index : 1165.90
Previous : 1166.30

Montreal

	Close	Prev.
Alcan Aluminum	26⅝	27⅛
Bank Montreal	27⅜	28⅛
Bell Canada	39½	39⅝
Bombardier A	N.Q.	—
Bombardier B	17⅜	N.Q.
Cambior	11⅛	N.Q.
Cascades	3.95	3.95
Dominion Text A	N.Q.	11
Donohue	10½	N.Q.
MacMillan Bl	18	18⅛
Memotec	8½	8⅝
Natl Bk Canada	9⅝	10
Noverco	15	14⅝
Power Corp.	N.A.	14⅝
Provigo	9	9
Quebec Tel	13⅝	14
Quebecor A	12⅝	N.Q.
Quebecor B	11	N.Q.
Videotron	13⅝	13⅝

Industrials Index : 1628.63
Previous : 1663.75

Paris

	Close	Prev.
Accor	991	989
Air Liquide	738	747
Avions Dassault	540	552
Bancaire (Cie)	580	582
BIC	650	660
Bongrain	3335	3375
Bouygues	651	648
BSN-GD	836	842
Carrefour	3515	3585
Cerus	373.80	373
C.G.E.	614	624
Chargeurs	1001	1047
Club Med	611	606
Dumez	591	601
Elf-Aquitaine	656	660
Europe 1	1372	1370
Gen. Eaux	2602	2652
Hachette	385	391
Havas	634	645
Imetal	360.50	365.80
Lafarge Coppee	455	463
Legrand	4400	4450
Oreal (L')	5380	5410
L.V.M.H.	4220	4365
Matra	384.50	386.10
Merlin Gerin	5910	6130
Michelin B	122.50	124.10
Moulinex	117.10	119.80
Occidentale	758	777
Paribas	623	627
Pernod-Ricard	1198	1191
Perrier	1628	1636
Peugeot	808	818
Printemps (Au)	650	673
Radiotechnique	690	695
Raff. St. Louis	1465	1503
Redoute (La)	3350	3375
Roussel Uclaf	2215	2203
Saint Gobain	554	555
Sanofi	960	950
Skis Rossignol	1037	1050
Ste Generale A	550	565
Suez	430.90	437.90
Telemecanique	4980	4980
Thomson-CSF	120.60	120.60
Total	655	673
Valeo	591	594

CAC 40 Index : 1958.23
Previous : 2011.37

To Our Readers

The closing prices for Sao Paulo were not available Monday due to problems at the source.

Singapore

	Close	Prev.
City Dev.	3.64	3.72
DBS	13.90	13.90
Fraser Neave	9.35	9.15
Genting	9.50	9.45
Harrisons Plant	1.60	1.60
Haw Par	2.88	2.90
Hume	3.54	3.54
Inchcape	5.40	5.45
Keppel	7.95	7.85
KL Kepong	2.88	2.87
Lum Chang	1.45	1.46
Malayan Banking	8.55	8.70
OCBC	8.45	8.45
OUB	5.40	5.50
OUE	9.50	9.50
Sembawang	6.80	6.85
Shangrila	8.80	8.80
Sime Darby	2.89	2.83
SIA	13.50	13.10
S'pore Land	14.80	15
S'pore Press	7.85	7.80
Sing Steamship	3.74	3.76
Straits Trading	3.40	3.46
UOB	5.55	5.60
United Overseas	2.16	2.14

Straits Times Ind. : 1545.72
Previous : 1531.27

Sydney

	Close	Prev.
ANZ	4.82	4.82
BHP	9.38	9.30
Bond	0.15	0.16
Boral	3.39	3.49
Bougainville	1.02	1.01
Coles Myer	7.68	7.68
Comalco	4.20	4.15
CRA	12.20	12.05
CSR	5.32	5.38
Dunlop	5.08	4.98
Elders IXL	1.85	1.79
ICI Australia	4.65	4.70
Magellan	1.60	1.40
MIM	2.31	2.29
Nat Aust Bank	6.20	6.48
News Corp	11.50	11.50
N Broken Hill	2.43	2.42
Poseidon	2.35	2.35
QCT Resources	1.45	1.43
Santos	4.15	4.17
TNT	2.49	2.49
Western Mining	4.66	4.63
Westpac Banking	4.54	4.57
Woodside	2.85	2.82

All ordinaries Index : 1586.80
Previous : 1582.40

Stockholm

	Close	Prev.
AGA	310	315
Alfa Laval	260	270
Asea	788	787
Astra -A	525	522
Atlas Copco	340	350
Electrolux B	259	258
Ericsson	1300	1284
Esselte-A	237	238
Handelsbanken	122	121
Pharmacia-A	N.Q.	—
Norsk Hydro	198.50	208.50
Saab-Scania	265	265
Sandvik	315	315
SCA-A	130	130
S-E. Banken	83.50	83
Skandia F	200	201
Skanska	487	492
SKF	174	170
Stora	310	310
Volvo	340	339

Affaersvaerlden : 1278.60
Previous : 1272.50

Tokyo

	Close	Prev.
Akai Electr	1060	1120
Asahi Chemical	920	915
Asahi Glass	1890	1870
Bank of Tokyo	1470	1520
Bridgestone	1530	1520
Canon	1760	1780
Casio	1590	1600
C.Itoh	868	890
Dai Nippon Print	1900	1930
Daiwa House	2450	2470
Daiwa Securities	1520	1550
Fanuc	7050	7100
Fuji Bank	2650	2660
Fuji Photo	4200	4160
Fujitsu	1410	1410
Hitachi	1510	1540
Hitachi Cable	1180	1190
Honda	1770	1750
Ito Yokado	4020	4000
Japan Air Lines	18400	18500
Kajima	1960	1980
Kansai Power	3620	3640
Kawasaki Steel	594	601
Kirin Brewery	1880	1920
Komatsu	1190	1190
Kubota	1010	1010
Kyocera	7910	8000
Matsu Elec Inds	2120	2170
Matsu Elec Wks	2070	2070
Mitsubishi Bk	2420	2470
Mitsubishi Kasei	782	778
Mitsubishi Elec	974	981
Mitsubishi Hev	1060	1070
Mitsubishi Corp	1520	1520
Mitsui and Co	967	980
Mitsukoshi	1880	1880
Mitsumi	1580	1590
NEC	1970	2010
NGK Insulators	1500	1540
Nikko Securities	1280	1310
Nippon Kogaku	1640	1650
Nippon Oil	1400	1430
Nippon Steel	590	600
Nippon Yusen	900	900
Nissan	1140	1150
Nomura Sec	2350	2410
NTT (SF)	9942	10114
Olympus Optical	1590	1590
Pioneer	6210	6290
Ricoh	1110	1120
Sanyo Elec	950	965
Sharp	1880	1900
Shimazu	1190	1200
Shinetsu Chem	1740	1750
Sony	8420	8510
Sumitomo Bk	2580	2610
Sumitomo Chem	671	683
Sumi Marine	1100	1110
Sumitomo Metal	591	598
Taisei Corp	1370	1350
Taisho Marine	1090	1090
Takeda Chem	1740	1750
TDK	6490	6760
Teijin	754	759
Tokyo Marine	1450	1480
Tokyo Elec Pw	4480	4500
Toppan Printing	1630	1610
Toray Ind.	805	799
Toshiba	1110	1110
Toyota	2560	2550
Yamaichi Sec	1330	1350

Nikkei 225 : 32277
Previous : 32538
Topix Index : 2381
Previous : 2397

Toronto

	Close	Prev.
Abitibi Price	15⅝	15⅝
Agnico Eagle	7⅝	7½
Air Canada	9⅛	9⅜
Alberta Energy	16⅛	16⅛
Am Barrick Res	19½	19¾
BCE	39⅛	39⅝
BCED	0.40	0.40
Bk Nova Scotia	14⅛	14⅛
BC Gas	14⅛	14⅛
BC Phone	18⅝	18½
BP Canada	19	19
Bramalea	13	13⅛
Brunswick	N.Q.	8⅛
CAE	6⅛	6⅝
Campeau	1.97	1.90
CIBC	27¼	28⅛
Canadian Pacific	21⅝	21⅝
Can Packers	12⅜	N.Q.
Can Tire A	20⅞	21⅛
Cantor	27½	27
Cara	17	N.Q.
CCL Ind B	9	9⅛
Cineplex	5⅜	5⅜
Cominco	26½	27
Conwest Expl A	N.Q.	14½
Corona A	7⅛	7⅛
Denison Min B	1⅛	1.21
Dickenson Min A	N.Q.	4⅛
Dofasco	23⅛	N.Q.
Dylex A	3.90	3.95
Echo Bay Mines	13⅝	13⅝
Equity Silver A	1.53	1.53
FCA Intl	10⅛	10⅛
Fed Ind A	13⅝	N.Q.
Fletcher Chall A	16⅛	N.Q.
FPI	4.70	4⅞
GoldCorp	4½	4½
Gulf Cda Res	15	15
Hees Intl	25⅛	25½
Hemlo Gld Mines	11⅛	12⅛
Hollinger	N.Q.	13
Horsham	9½	9½
Hudson Bay	6	5½
Imasco	36⅛	37
Inco	31⅝	31⅞
Interhome	48	48⅛
Jannock	16	16⅛
Labatt	21⅝	N.A
Loblaw Co	16½	16½
Mackenzie	7⅛	7⅞
Magna Intl A	3.45	3.35
Maritime	16⅝	16.70
Mark Res	11½	11⅝
MacLean Hunt X	9½	9½
Molson A	39⅛	39⅝
Noma Ind A	7⅛	8¼
Noranda	19⅝	19⅝
Noranda Forest	N.Q.	11½
Norcen Energy	24½	24⅝
Nova Corp	8½	8⅝
Oshawa	31⅝	32
Pagurin A	7⅝	7⅝
Placer Dome	16⅛	16⅛
Poco Petroleum	6⅛	6⅛
PWA Corp	9⅝	10
Quebec Sturgeon	0.99	0.85
Rayrock	N.Q.	8
Renaissance	13⅝	14⅛
Rogers B	7	7⅛
Rothmans	65½	N.Q.
Royal Bank Can	22⅛	24
Royal TrustCo	15	15½
Sceptre Res	3.70	3⅞
Scott's Hosp	14⅛	N.Q.
Seagram	99½	101⅞
Sears Can	11⅛	11⅝
Shell Can	38⅞	39
Sherritt Gordon	7	7⅛
SHL Systemhse	8⅛	8⅛
Southam	25⅛	26⅛
Spar Aerospace	8½	9
Stelco A	16⅜	16⅜
Teck B	23	23⅛
Thomson News	15½	15⅝
Toronto Domn	18	18½
Torstar B	27⅛	27⅛
Transalta Util	12½	12⅝
TransCda Pipe	16⅛	16⅛
Trilon Fin A	17⅝	N.Q.
Trimac	N.Q.	—
Trizec A	19⅛	19⅛
Turbo Resources	0.42	N.Q.
Unicorp A	2.38	N.Q.
Woodward's Ltd	1⅛	1⅛

TSE 300 Index : 3523.10
Previous : 3570.80

Zurich

	Close	Prev.
Adia Intl	N.Q.	1565
Alusuisse	1340	1345
Bank Leu	2400	2380
Brown Boveri	5950	6000
Ciba Geigy	3520	3540
CS Holding	2440	2460
Elektrow	3520	3530
Fischer	2200	2220
Interdiscount	4320	4330
Jacobs Suchard	7475	7425
Jelmoli	2290	2290
Landis Gyr	1445	1420
Moevenpick	5350	5325
Nestle	8800	8850
Oerlikon-B	940	1000
Pargesa Hld	1550	1570
Roche Holding B	4155	4200
Sandoz	2110	2170
Schindler	N.A.	—
Sulzer	780	780
Surveillance	5450	5500
Swissair	985	1000
SBC	315	319
Swiss Reinsur	615	618
Swiss Volksbank	1665	1665
Union Bank	3570	3600
Winterthur	4250	4290
Zurich Ins	2110	2140

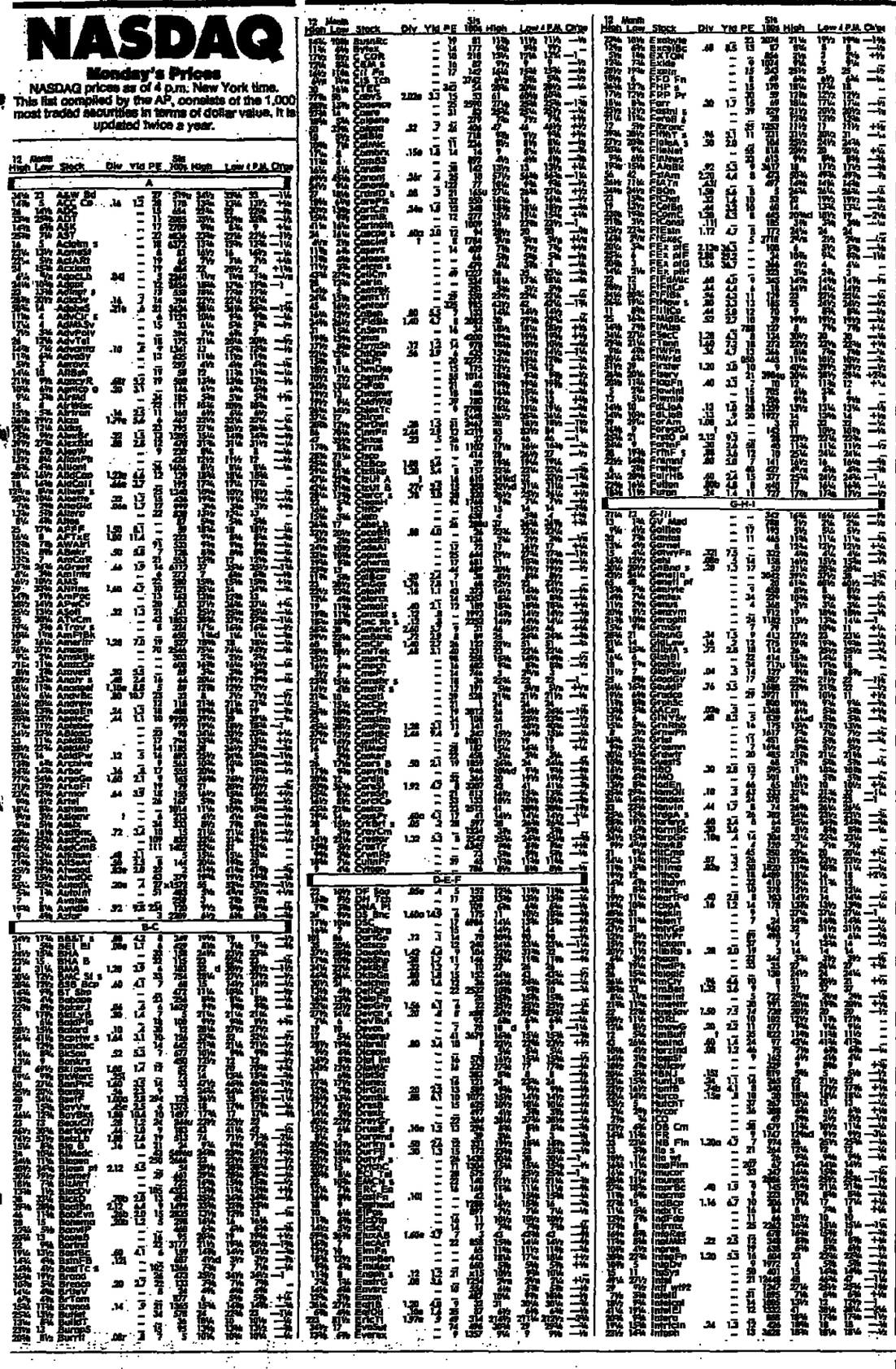
SBS Index : 672.60
Previous : 674.10

The Daily Source for International Investors.

NASDAQ

Monday's Prices

NASDAQ prices as of 4 p.m. New York time.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



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NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

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(Continued on next page)

NYSE Highs-Lows

NEW HIGHS 15

Abbott Lab s, Albertsons, ArcoChem n, BassPubl n, Dulce P pfAA, Flst pf, GenMills, Mechronic s, PhilipMT 7pf, PNC Ltr5pf, RPC Ene, SealtAir n, Stanfish pf, UnivFds s, Vishay rtnrt

NEW LOWS 42

AAR Co, AfricCo, BRT Rity, BallyMfg, Bandag Gld, Colum Gas, DavisWatr, DimeSvNY, Eberhard Fd n, FranceGth, Guilford, Hartmarx, Hemlo Res, IntelTV pfB, KLM, LAI Mine s, MidwAir pfB, MidwAir pf, Novatr wts, NuvNJMMO n, PNC Fnn wt, PNC Fnn pfA, PlayboyEnB, PlayboyEnA, ReconEn, Shelbyvll, SmithCorp n, Stelfds, StdMotr, Talley pfB, USFG 4.75pf, UnionEqpf, Valley Ind, WellsF pfA, WestpacBk, WellsF pfdlof

AMEX Highs-Lows

NEW HIGHS 12

Amisrael, AmTr-pe un, AmTr-pe sc s, CrownCR s, Datoram, Galoco, Hostmax Mf, Jonko, Jachyn, KentElec, NewLine, OEA s

NEW LOWS 21

Anselex, BSN wt, CapitlHous n, ChilesOffsh, DicksnMnA s, GntYellow s, HUSCO, Intermark, Jlfrmk pf, Jewlmstrs, KenwinSh, MemCo, PaceSuns s, PetersJM, PittwyA, TecOpsLand, TemplGlbUtl, Trntzinc, USFG Pac, VlacmB n, Vlacmf

The Daily Source for International Investors.

U.K. Deficit Grows As Wage Costs Rise

Reuters

LONDON — Inflationary pressures in the British economy are continuing and have pushed public finances into a large deficit at the start of the 1991 fiscal year, economists said.

Government statistics showed that the fiscal deficit was much larger than expected in May, while unit wage costs for April were also higher than expected.

April data for manufacturing and industrial output confirmed recent evidence of economic buoyancy, the economists said.

The May figure took the cumulative deficit, excluding revenue from government businesses being privatized, to £3.8 billion ($6.46 billion) for the first two months of fiscal 1990-91, which began in April, compared with £1 billion in the 1989-90 period.

Chancellor of the Exchequer John Major in March forecast a £6.9 billion budget surplus for the whole fiscal year.

The Treasury said this year's figures were distorted by special factors and forecast a strong recovery later this year. It said the deficit data were not evidence of higher than planned government spending.

"There are already signs that the fiscal stance is too lax," said Gary Smith, European economist at Merrill Lynch in London. "This puts the forecast into doubt after only two months."

Financial markets were not cheered by the reports. The Financial Times 100-stock index closed down 21.8 points Monday at 2,370.5.

Economists agreed that the deficit was pushed up by the introduction of the poll tax, a controversial levy to fund local services, which many people are refusing to pay. As a result borrowing by local authorities has risen.

Even removing local authority finances, the central government borrowing requirement was still running, excluding privatizations, at £2 billion in April and May, against £1.4 billion a year earlier.

"Once we get through the spending round, it's going to be quite apparent that there's going to be a deficit next year," said Keith Skeoch, chief economist at James Capel.

This raised the prospect of the Bank of England resuming the issue of government bonds, or gilts, he said. The rise in central government borrowing reflected inflationary increases in public spending, for instance big public-sector pay settlements.

A Treasury spokesman said much of the £600 million rise in government borrowing was due to the early payment of government grants to municipalities to cushion the introduction of the poll tax. These should not recur later in the year.

But economists saw the other data as evidence of continuing inflationary pressures. In the three months to April, unit wage costs in manufacturing were 8.1 percent higher than a year earlier, as pay continued to outstrip output.

Bouygues Buys 85% of Swiss Firm

Agence France-Presse

PARIS — Bouygues SA, the world's leading construction concern, said Monday that it had taken an 85 percent stake in Swiss construction company Losinger AG.

The French firm did not give the value of the deal, which is subject to the approval of Swiss authorities.

Losinger, one of Switzerland's three leaders in the sector, had sales of 3 billion French francs ($529 million) last year, some 60 percent of it in Switzerland. It has interests in all aspects of the construction sector from buildings and public works to roads and tunnels.

Union de Banques Suisses, which has since May held a 35 percent stake in Losinger, and the U.S. energy concern Ensearch Corp., with 50 percent, had been seeking to cede their holdings in coordinated action. The remaining 15 percent is in the hands of the public and the Losinger family.

Losinger was showing a loss up to 1988, but last year had a consolidated profit of six million Swiss francs ($4.1 million).

■ **Victoire in Canada**

Groupe Victoire, the French insurer controlled by Compagnie Financière de Suez, said Monday that it planned to boost its presence on the Canadian market by taking a 50 percent stake in the damage subsidiary of Quebec firm La Laurentienne, Agence France-Presse reported from Montreal. The deal is costing Victoire 125 million Canadian dollars ($106.8 million).

BAA Picks Jaguar Chief For Its No. 2 Position

Agence France-Presse

LONDON — BAA PLC, the company that runs Britain's major airports, on Monday announced it was appointing as its chief executive Sir John Egan, the chairman of Jaguar PLC.

Sir John, who is 50, is to retire from Jaguar at the end of this month, after 10 years as the head of the company.

BAA, which like Jaguar has been sold by the British government, also announced that its profit for the latest financial year rose 29 percent, to £256 million ($435.8 million). That was at the top end of market expectations and pushed BAA stock up 8 pence, to 424 pence, in an otherwise dull stock market.

Revenue in the 12 months to the end of March rose 17 percent, to £747 million. The final dividend was 7 pence, bringing the total for the year to 11.5 pence, up from 9 pence in the previous year.

Sir Norman Payne, chairman of BAA, said Sir John's appointment filled BAA's need for a chief executive "with the potential to take over the hands-on running of the company from me."

Sir Norman, 68, undertook the chief executive's position last summer, when the former holder, Jeremy Marshall, left. Sir Norman will continue as chairman.

BAA was privatized in July 1987. Sir John steered Jaguar through privatization in 1984. He gave up his role as chairman and chief executive earlier this year, following Ford Motor Co.'s £1.6 billion takeover in December 1989. He is to take up his post at BAA in September.

Sir John joins BAA as the company faces mounting congestion in the terminals at its seven British airports, and after a 51 percent increase in the company's capital expenditure, to £370 million, to pay for projects including the upgrading of Stansted airport near London to take the pressure off Heathrow and Gatwick.

NatWest Shares Fall on News Of Trump Loan

Reuters

LONDON — Shares in National Westminster Bank PLC fell 11 pence to 332 pence in trading Monday morning after news that the bank had loaned money through its New York subsidiary to the troubled property developer, Donald J. Trump.

The press has put NatWest's exposure in the range of $50 million to $100 million. "It is probably at the upper end of that range and possibly a little higher," said a banking analyst, Michael Lever, of the broker Smith New Court.

The bank would not talk about the size of its exposure.

The Trump Organization missed $18 million of interest payments on two debt issues Friday and was in talks with its bankers over an emergency rescue package.

Portuguese Increase Key Interest Rate

Compiled by Our Staff From Dispatches

LISBON — Portugal raised a key interest rate by one percentage point on Monday as part of its battle against stubbornly high inflation.

A Finance Ministry spokesman said the minimum rate on time deposits of more than 180 days would climb to 14 percent from the 13 percent rate in effect since 1988. The rate on savings for homes rose by the same amount to 14.5 percent.

Meanwhile, the Bank of Portugal has sold $1 billion worth of escudos on the foreign exchange market, the Diario de Noticias newspaper reported, in a bid to stabilize the currency. The escudo has come under strong demand in the past two weeks.

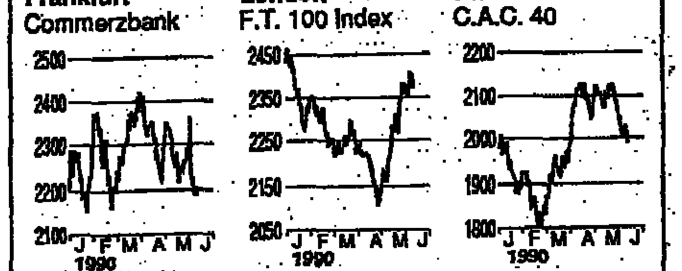
Inflation, which the government considers its main economic enemy, is already outstripping the target of 9.5 percent to 10.5 percent for the year.

In May the annual average rate hit 12.8 percent.

Rising costs have triggered a wave of strikes over the past two years and the government has repeatedly cited high inflation as an obstacle to early alignment of the escudo to the European Monetary System.

The approach of July 1 — date of the first stage of European economic and monetary union — is feeding the speculative demand despite indications from the Portuguese authorities that the escudo will not fully enter the system next month. (Reuters, AFP)

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	119.10	120.00	-0.75
Brussels	Stock Index	6279.42	6284.73	-0.08
Frankfurt	Commerzbank	2206.40	2187.70	+0.85
Frankfurt	DAX	1797.42	1792.26	+0.29
Helsinki	UNITAS	567.60	571.20	-0.63
London	Financial Times 30	1911.90	1925.70	-0.72
London	FT-SE 100	2370.50	2392.30	-0.91
Madrid	General Index	283.37	284.23	-0.30
Milan	MIB	1105.90	1106.30	-0.04
Paris	CAC 40	1988.33	2011.87	-1.17
Stockholm	Affaersvaerlden	1278.60	1272.50	+0.48
Zurich	SBS	672.60	676.10	-0.52

Sources: AFP — International Herald Tribune

Soviets Said to Plan Big EC Wheat Purchase

Reuters

PARIS — The Soviet Union is shopping for in the European Community for wheat and a large purchase could be sealed soon, grain brokers and diplomats said on Monday.

Reports began circulating late last week that Moscow was interested in buying between 500,000 and 1 million metric tons of EC feed wheat, probably from Britain, for delivery between August and October.

"It's quite possible," replied a Soviet diplomat when asked if Moscow might make such a purchase. "It's looking very attractive," the diplomat said, referring to low EC wheat prices.

At about $114 per ton, new crop British feed wheat currently costs about $6 less than French wheat, traders said. French wheat prices did not react last week to the rumors, dealers said.

"It would be a logical purchase," commented a trader with a medium sized trade house, saying Danish wheat might be included.

The trader said a large trade house appeared to have booked a number of small coastal vessels in English ports, perhaps for eventual shipment of feed wheat to the Soviet Union.

While brokers with many of the smaller houses said a sale was probable, some of the larger trade houses denied any knowledge of a deal.

■ **Soviets Sell Cocoa**

Traders said that most of the cocoa from three Soviet ships that arrived in Amsterdam earlier this month has now been sold, Reuters reported from Amsterdam.

One trader said that some of the cocoa will be stored and may be tendered against the London futures market, but most will find its way to manufacturers.

Traders said Moscow decided to resell the cocoa in Amsterdam, the world's largest cocoa port, after a number of trade houses refused to grant it extended credit. The Soviet Union is short of foreign exchange.

Traders estimated that the Soviet ships had unloaded between 15,000 and 20,000 tons of cocoa in Amsterdam. The bulk of the cocoa was Ivory Coast, with the balance originating from Ghana, they said.

Marketing Rift Led Pentland to End Reebok Ties

By Anthony Ramirez
New York Times Service

NEW YORK — The decision by Pentland Group PLC, Reebok International Ltd.'s biggest shareholder, to sell its stake stems in part from clashes with Reebok's management over how to make and sell the company's popular athletic shoes, a senior Pentland executive said.

The executive also cited British tax law that, in effect, penalizes foreign income.

The public shareholders of the British consumer-products holding company, who own nearly half of Pentland, have pressured R. Stephen Rubin, the chairman and majority holder, to find other acquisitions, preferably in Britain.

On Thursday evening, Reebok surprised investors with the news that Pentland, which depends on Reebok for the bulk of its income, wanted to sell all of its 31.5 percent stake.

Until 1985, Reebok had been a subsidiary of Pentland.

Reebok immediately said it planned to remain independent and to establish various anti-takeover defenses.

Pentland's planned sale comes at a time when Reebok is struggling to regain momentum in the intensely competitive $5 billion footwear business, where demand for expensive shoes like Reebok's seems to be cooling.

Reebok, which had revenue last year of $1.8 billion, is the second-largest maker of athletic footwear after Nike Inc.

The stock of the third-largest maker, L.A. Gear Inc., recently plunged sharply after it announced an unexpected decline in quarterly earnings.

On the London Stock Exchange, investors reacted favorably to the plan by Pentland, and its stock closed Friday at 95 pence, up 20 pence.

In Stoughton, Massachusetts, Kenneth R. Lightcap, a Reebok spokesman, declined to comment. He said that Paul B. Fireman, Reebok's chairman and the second-largest stockholder, with a 14.5 percent holding, would not be available to comment.

In a telephone interview from London, Richard A. Stevens, a director and corporate secretary of Pentland, said the relationship between Pentland and Reebok began to unravel last year, when Reebok refused to renew Pentland's contract to distribute Reebok footwear in Britain.

Reebok now distributes shoes through its own British subsidiary.

Reebok was increasingly pursuing a pan-European strategy in anticipation of the open market planned after 1992, Mr. Stevens said.

Reebok management did not want an operation in Britain separate from that on the Continent.

"We have not been consulted when Reebok wanted to do its own thing," Mr. Stevens said.

"Although there has been general good will between the two organizations," Mr. Stevens said, "the relationship has not always been, shall we say, plain sailing."

Analysts say there was also increasing friction over Pentland's vital East Asian operation, Asco Hong Kong.

A "sourcing agent," or middleman, Asco arranges for footwear factories, mainly in South Korea, to manufacture Reebok shoes.

Arranging for manufacture, shipping and dispatch is considered vital for American footwear makers, most of whom make their shoes in hundreds of small factories in Asia.

Reebok has decided not to renew Asco's sourcing contract when it expires at the end of this year, Mr. Stevens said. Reebok is also expected to take over that function.

U.K. Insurers Form European Venture

Agence France-Presse

LONDON — A group of British insurance industry giants announced on Monday a joint venture to take advantage of planned deregulation of the European Community insurance market, which comes into effect on July 1.

The venture, called Eurosure, is controlled by Sun Alliance, Britain's biggest composite insurer, and the four biggest broker members of Lloyd's of London: CT Bowring & Co., Alexander Howden Ltd., Sedgewick Broking Services Ltd. and Willis Faber & Dumas Ltd., along with a number of Lloyd's syndicates.

Lloyd's chairman, Murray Lawrence, said Eurosure would provide capacity for property, business interruption, public and product liability and marine cargo cover.

The business would be underwritten on a 50-50 basis by Sun Alliance and the syndicates, and all new business proposals for Eurosure would have to be accepted by both sides.

The service will be marketed throughout continental Europe by the four brokers. It is the first ever joint venture between a composite insurer and Lloyd's members.

A Sun Alliance spokesman said that the venture combined the well known name of Lloyd's in Europe with Sun Alliance's experience and organization.

French Output Up 4.7% in '89

Agence France-Presse

PARIS — French manufacturing output rose 4.7 percent in real terms last year, falling short of its performance of 1988, the best year in a decade, the official National Institute for Statistics and Economic Studies said in a report for release Tuesday.

The strength was due particularly to good performances in capital goods and consumer products, the institute said.

The somewhat lower growth than the 5.4 percent gain of 1988 resulted from a slowdown in intermediate goods and electrical and electronic equipment, which had a rather poor year, the report said.

HUNGARY: *Privatization Starts*

(Continued from first finance page)

can be found in the West. Hungary's exports to East bloc countries plunged by 31 percent in the first five months of the year, while its hard-currency exports rose by only 19 percent.

The combined effect of high inflation, huge debt and slumping trade is an economy in which output is stagnant and interest rates are sky high. Not, as many analysts point out, the ideal scenario for launching a new stock market.

Short-term Hungarian interest rates are currently hovering at about 30 percent. The rates have drawn a chunk of capital into Treasury bills and certificates of deposit that is estimated at more than 50 billion forints.

Analysts say the government is going to have to find a way to entice investors out of these short-term investments and into stocks if its privatization program is going to proceed anywhere near on schedule.

One change the government may need to make if it wants to change legions of small savers into shareholders is to rethink its investment tax, analysts said. When Hungary introduced the first system of personal income taxes in the Soviet bloc in 1988, it also introduced a flat 20 percent levy on investment income. Analysts said that the tax helped to kill the bond market.

■ **Vienna Sale Popular**

Investors seeking shares in the Austrian portion of the listing of the Ibusz travel agency oversubscribed the offer by 23 times, Agence France-Presse reported from Vienna.

Quoting Girozentrale & Bank der Oesterreichischen Sparkassen AG, the Austrian bank handling the issue, AFP said 27,000 buy orders were received, 7,000 of them from Hungarians. The demand was for 23 times the 440,000 shares on offer at a price of 893.15 schillings ($74.93) each.

NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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In the United States Bankruptcy Court for the Northern District of Texas Dallas Division

In re:
Southmark Corporation — Case No. 389-36324-SAF-11
Debtor — (Chapter 11)

Notice to Creditors, Equity Security Holders and Parties in interest with respect to Southmark Corporation

Please take Notice that the United States Bankruptcy Court for the Northern District of Texas (Dallas Division) has set the following schedule for certain matters in connection with the bankruptcy proceeding of Southmark Corporation, Case No. 389-36324-SAF-11, pending in said Court:

May 30, 1990:
Last date to serve objections to the Debtor's Disclosure Statement upon counsel to the Debtor: Debra D. McCullough, Esq., Thompson & Knight, 3300 First City Center, Dallas, Texas 75201, and to file them with the Court by mailing to: Michael Youdin, Clerk, United States Bankruptcy Court, 1100 Commerce Street, Room 14A7, Dallas, Texas 75202.

May 31, 1990:
Hearing on the adequacy of Debtor's proposed Disclosure Statement, 9:30 a.m., C.D.T., United States Court House, 1100 Commerce Street, 15th Floor, Dallas, Texas 75202.

June 18, 1990:
Hearing on claims to be estimated.

July 3, 1990:
Last Date to file objections to the Confirmation of the Debtor's Plan, and to serve such objections upon Debra D. McCullough, Esq., Thompson & Knight, 3300 First City Center, Dallas, Texas 75201 and George J. Wade, Esq., Shearman & Sterling 152 E. 53rd Street, New York, New York 10022. Objections shall be filed with the Court by mailing to: Michael Youdin, Clerk, United States Bankruptcy Court, 1100 Commerce Street, Room 14A7, Dallas, Texas 75202.

July 6, 1990:
Last Day for Voting to accept or reject the Debtor's Plan.

July 11, 1990:
Hearing on the confirmation of the Debtor's Plan, 9:30 a.m., C.D.T., United States Courthouse, 1100 Commerce Street, 15th Floor, Dallas, Texas 75202.

You may receive a copy of the Disclosure Statement filed on May 4, 1990 by requesting a copy, in writing, from: Monique St. Laurent, Thompson & Knight, 3300 First City Center, Dallas, Texas 75201.

If the procedure referred to above with respect to the estimation of claims applies to you, you will receive a separate notification setting forth the reasons why the Debtor believes your claim should be estimated and detailing the procedures to be followed with respect thereto.

Failure to receive, object to or take any other action with respect to the Disclosure Statement will not affect your right to vote on or object to Confirmation of the Plan.

By order of the Court
Steven A. Felsenthal
United States Bankruptcy Judge

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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Page 16 FOR MORE CLASSIFIEDS

AMEX

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M. Ch'ge
10¼	8⅝	AIM Str	1.08	12.5	–	139	8⅝	8⅝	8⅝ + ⅛
4¼	1⅝	AIM Tel			–	22	2	1⅞	1⅞ – ⅛
12⅝	6⅝	AMC			129	47	9	9	9
[illegible]									

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s). b — annual rate of dividend plus stock dividend. c — liquidating dividend. cld — called. d — new yearly low. e — dividend declared or paid in preceding 12 months. g — dividend in Canadian funds, subject to 15% non-residence tax. i — dividend declared after split-up or stock dividend. j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k — dividend declared or paid this year, an accumulative issue with dividends in arrears. n — new issue in the past 52 weeks. The high-low range begins with the start of trading. nd — next day delivery. P/E — price-earnings ratio. r — dividend declared or paid in preceding 12 months, plus stock dividend. s — stock split. Dividend begins with date of split. sls — sales. t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u — new yearly high. v — trading halted. vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd — when distributed. wi — when issued. ww — with warrants. x — ex-dividend or ex-rights. xdis — ex-distribution. xw — without warrants. y — ex-dividend and sales in full. yld — yield. z — sales in full.

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June 18, 1990

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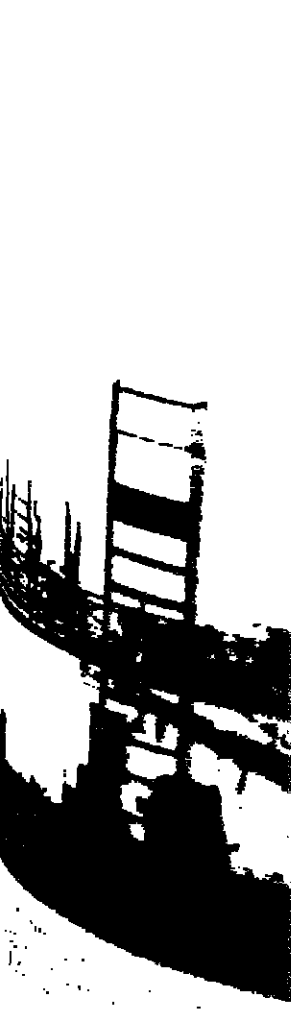


Hopewell Issue Seen for Thai Project

By Steve Glain
International Herald Tribune

HONG KONG — Shareholders in Hopewell Holdings Ltd. are bracing for a major fund-raising exercise by the developer, which received preliminary approval this month to build a $3 billion road and rail system in Bangkok.

Strong gains on the local stock exchange have fed rumors that Hopewell is planning a rights issue that would offer current shareholders about 4 billion Hong Kong dollars ($513.9 million) of new securities, probably in the form of convertible bonds.

A Hopewell executive would not comment on the rumors. Several analysts said requests for company visits have been denied or canceled. "That's what usually happens when something's cooking," said Marina Au, an analysts at ChinTung Ltd., a local securities house.

Hong Kong's blue-chip Hang Seng Index has risen 8.1 percent in the last four weeks, while Hopewell's stock price has increased nearly 7 percent, to Friday's close of 3.07 Hong Kong dollars.

An issue of convertible bonds would suit Hopewell, said by many analysts to be cash-strapped. Although considered a fundamentally strong company with successful projects worldwide, Hopewell has stretched itself thin on ambitious works in China that have languished since last summer's crackdown on political dissent.

The advantage of a convertible issue is that it allows a borrower to raise cash at a lower interest rate than it could through a bank loan because investors give up some yield to have an option to swap their securities for stock. However, when the bonds are converted into shares, the company's equity base expands and its earnings per share are thus diluted.

If Hopewell does float such an issue, it would be the first time the company has turned to the market for funds since it aborted a planned rights issue of 3.86 billion dollars days before the June 4 killings of anti-government protesters in Beijing. Stock prices in Hong Kong had been edging down in the four weeks leading up to the disaster, before plunging in its aftermath.

In addition to the convertible issue, Hopewell is likely to announce the public listing of the construction company that will oversee the project, according to analysts. Funds raised from the listing would be invested in the project, they said.

Hopewell's bid to streamline Bangkok's nightmarish traffic system, was met with mixed reactions when it was announced in March. Although bankers said the project could easily generate funding, analysts said it would only add to Hopewell's growing debt load.

Hopewell is building or planning: a 2,400-room hotel in Hong Kong; a 6 billion dollar superhighway to link the colony and China's Guangdong province; and a 7 billion dollar crossing from Hong Kong to the western bank of the Pearl River delta in Guangdong. The projects, while logistically viable, have been delayed or are expected to suffer from the downturn in the economies of Hong Kong and China.

Nevertheless, analysts are surprised at the speed with which Hopewell's Bangkok plan was approved by the Thai government. Although bids for competing projects have been delayed for years because of bureaucratic squabbles, Hopewell's proposal reached the cabinet level about three months from the day it was announced.

Hopewell plans to stack a freeway atop heavy and light rail lines on Bangkok's existing rail network. The 60-kilometer (37-mile) route, which would feed passengers and freight from Bangkok's international airport and industrial areas, is to be built on government land Hopewell would develop and operate through a 30-year concession.

Most of the profit from the network, according to Hopewell, will come from development of shopping malls and offices the company plans to build along the system.

Despite the promise of the Hopewell proposal, many analysts have expressed concern that it will clash with similar projects. The Thai government is said to be close to giving approval to Canada's Lavalin International Inc. to build Skytrain, an elevated mass-transit system estimated to cost 40 billion baht ($1.6 billion).

The Thai government has said its policy is to award as many contracts as it takes to clear Bangkok's traffic congestion.

Trade Status Of Malaysia Is Jeopardized

The Associated Press

KUALA LUMPUR — Malaysia will lose about $625 million if the United States withdraws special trade privileges because of human rights concerns, an official said.

Deputy Prime Minister Abdul Ghafar Baba said on Sunday that Malaysia receives that amount of quota and tax benefits under current privileges granted by the United States under the Generalized System of Preferences.

The AFL-CIO union and some other U.S. organizations have petitioned the U.S. trade representative Carla A. Hills to withdraw the privileges because of restrictions on human and labor rights in Malaysia.

Some officials of the Malaysian Trades Union Congress, an association of trade unions, have backed the AFL-CIO's stand.

Profits Jump At Firms In Malaysia

Agence France-Presse

KUALA LUMPUR — Malaysian companies, riding a three-year boom, posted substantially higher profits for the 1990 financial year, with the exception of the plantations sector, the Malaysian Investors Association said Monday.

The association's president, Patrick Lim, said that pretax profits of local companies listed on the Kuala Lumpur Stock Exchange jumped 29 percent, or 1.47 billion ringgit ($544 million), in the 12 months ended June 10.

He said the 262 Malaysian companies listed on the exchange posted total pre-tax profits of 6.51 billion ringgit, with the 30 biggest earners contributing just over 66 percent of the total.

Mr. Lim said the highest earnings per share were posted by the local unit of Shell, the government majority-owned Malaysian International Shipping Corp., Genting Bhd., a casino operator, and the Malaysian Airline System.

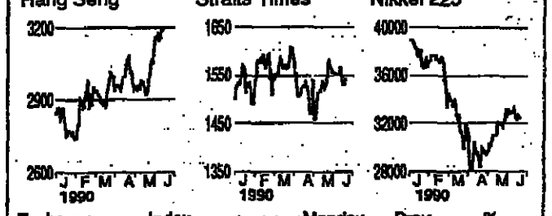
The association study showed high profits among companies in the manufacturing, financial services and car sectors while food, beverage and cigarette companies also benefited from higher consumer spending resulting from the sharp rise in purchasing power.

Malaysia's gross domestic product grew 8.7 percent in 1988 and 8.5 percent last year, according to Bank Negara, the central bank.

The bank has projected this year's growth at 8.3 percent.

But the investors association study showed that plantation companies associated with rubber and palm oil, which once dominated Malaysia's exports, suffered from a decline in commodity prices.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	Closed	3201.52	-
Singapore	Straits Times	1545.72	1531.29	+0.94
Sydney	All Ordinaries	1506.00	1502.40	+0.24
Tokyo	Nikkei 225	32376.80	32538.40	-0.50
Kuala Lumpur	Composite	574.00	575.52	-0.26
Bangkok	Book Club	858.27	857.52	+0.09
Seoul	Composite Stock	756.39	770.77	-1.87
Taipei	Weighted Price	6016.43	5855.82	+2.74
Manila	Composite	920.51	877.98	+4.84
New Zealand	Barclays	1811.56	1808.62	+0.16
Bombay	National Index	N.A.	422.19	-

Sources: Reuters, AFP International Herald Tribune

Japanese Welcome U.S. Move

But Few Have Staff to Cope With 24-Hour Trading

Reuters

TOKYO — Japanese brokers and investors expect Wall Street's plans for 24-hour stock trading to provide more foreign investment opportunities, but they doubt they have the staff levels or investor support to cope with such a move.

"We'll be very happy to see the market open for 24 hours, which provides us with more chances to hedge," said Narabu Koga, managing director at Kidder, Peabody International Corp. here. "But whether the customers follow such a move is another thing."

The chairman of the New York Stock Exchange unveiled last week its plans to move gradually to 24-hour trading.

In addition, the American Stock Exchange is considering its own after-hours trading venture with the Chicago Board Options Exchange and the Cincinnati Stock Exchange. The planned global network would trade securities over screens of Reuters Holdings PLC's Reuters America Inc. unit.

Takashi Sasamoto, manager of foreign stocks trading at Kokusai Securities, said this globalization move should boost investment in foreign stocks by Japanese investors.

"We can now only provide closing prices of New York stocks to our customers," Kokusai's Mr. Sasamoto said. "But if New York is traded during the Tokyo daytime, investors could reduce their risks, trading on a real-time basis."

The step could provide arbitrage opportunities in the price gap between Japanese and U.S. markets, brokers said.

However, they wondered if they could increase staff levels to keep up with the expansion of computer-driven trading on U.S. exchanges. Already, brokers involved in daily trading of foreign stocks and U.S. bond futures have to work from early in the morning until late at night, or trade at home.

"It's a conflict," said Mr. Koga. "We welcome the 24-hour trading but we are all reluctant to work so long."

But life insurance companies, Japan's leading investors in international securities, tended to be neutral about the trading plan.

"As far as U.S. stocks are concerned, our New York office handles trading in them full-time," said Masao Furukawa, deputy general manager of equity investment at Dai-ichi Mutual Life Insurance Co.

The Tokyo Stock Exchange has no plan to follow suit on 24-hour trading, said Hideaki Yamashita, general manager of the exchange's international department.

"We still believe the current inter-market linkage system, on a rotating time basis around the world, is the most realistic and appropriate way for investors," he said.

Japanese investors held about $4 billion of U.S. stocks as of end-April 1990, or 11.2 percent of total Japanese foreign stock positions, brokerage industry data show.

Kirin to Trade Stock in Europe

Agence France-Presse

TOKYO — Japan's top beer producer, Kirin Brewery Co., said Monday that its shares are to begin trading in the London and Paris stock markets in the next two weeks.

Trading in Kirin's shares is due to start in London on Tuesday and in Paris on Friday of next week, company officials said.

Kirin plans to expand exports, which account for 1 percent of its total sales, they said.

World Bank Sees India Boosting Foreign Debt

Reuters

NEW DELHI — India, already saddled with a high foreign debt, faces economic difficulties in the 1990s and will need to borrow even more abroad, the World Bank said in a statement ahead of a meeting of India's aid donors.

"India's economy appears headed for a difficult period during the early 1990s," the bank said. India's 13 aid donors began a two-day meeting on Monday in Paris. The World Bank recommends that they continue at least the same level of loans and concessional assistance in the fiscal year ending March 31, 1991, as in the previous year, about $6.7 billion.

"Relatively high levels of external borrowing, including continuation of significant levels of commercial borrowing, will have to be maintained to cover current account deficits and reconstitute reserves," said the World Bank paper, issued over the weekend. Total external debt has doubled in the last five years to $63 billion, the bank said. The government estimates external debt at $58 billion.

Current account deficits, amounting to 3.3 percent of India's gross domestic product in the last two fiscal years, have been financed by tapping foreign exchange reserves and borrowing abroad, the bank said.

Reserves were $3.37 billion in March, compared with $4.23 billion a year earlier, and are enough to finance two months of imports.

India borrowed about $3 billion last year on commercial terms, and bankers say it will need to borrow $3 billion to $3.5 billion this year.

After 40 years of annual growth averaging 2.6 percent, India's agricultural productivity could begin to decline, the bank said. "It is not certain that the sources of past growth, expansion of irrigation and spread of high-yielding varieties of crops, can be sustained.

"There is reason to believe that more rapidly increasing per-capita income, coupled with a fairly low starting point in terms of per-capita caloric consumption, could lead to more rapid increases in demand for food than in the past," the World Bank said. About 60 percent of India's population of 820 million depends on agriculture for their livelihood. "Agriculture, unlike industry, has yet to show clear signs of an acceleration of overall growth of productivity," the bank said.

The bank praised India's steps over the past decade to relax investment and import licensing constraints on manufacturing, but said more needed to be done.

French Sue N.Z. Vintners

Agence France-Presse

WELLINGTON — French wine makers on Monday sought a court ruling to stop Australian wine from being sold in New Zealand under the *Champagne* label.

The Comité Interprofessional du Vin de Champagne is suing an Auckland retailer, Wineworths Group, over its sales of wine made by a unit of Penfolds (Australia).

An attorney for the group said Penfolds and Wineworths, by distributing *faux* Champagne, "are marketing a lie."

Avon to Make and Sell Its Cosmetics in China

By George White
Los Angeles Times Service

LOS ANGELES — Avon Products, the American cosmetics company that has been plagued by poor earnings and takeover threats the past two years, is venturing where few American companies have gone recently: China.

Avon has formed a joint venture with the Guangzhou Cosmetics Factory in the southern city of Canton to make and sell cosmetics. Avon executives already have begun to select equipment for the plant and to develop training materials for sales representatives and supervisors. The venture expects to begin sales by October.

The pace of international investment in China has slowed since the June 1989 massacre of pro-democracy demonstrators near Tiananmen Square in Beijing. Asian trade consultants said the Avon deal may be the first major China venture by a U.S. firm since the crackdown.

Avon's president, James Preston, said he considered the views of those opposing new American investment in China before deciding to approve the venture.

"I decided that this was a commercial endeavor — not a political endeavor," he said. "The venture will not benefit the government of China; it will benefit the women of China and Avon's shareholders."

Vice President John Novosad, who manages Avon's Pacific operations from Hong Kong, said, however, that Avon considered breaking off its talks with the Chinese after the crackdown. "I saw the television reports of the violence, and my reaction was shock and disbelief." But Mr. Novosad said he decided that "the best way to ensure peace around the world is through economic growth."

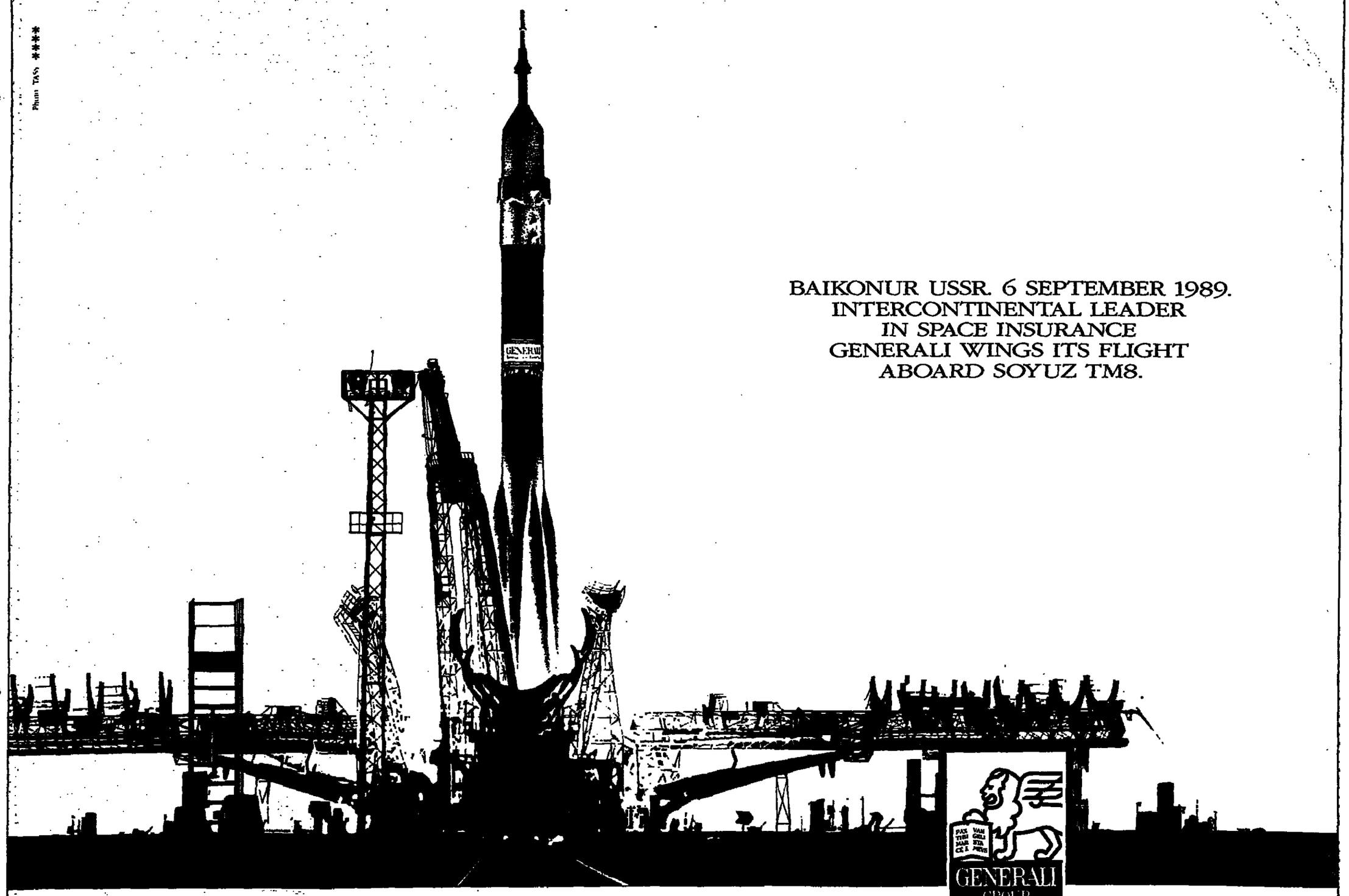
Under the agreement, signed last January, Avon owns 60 percent of the joint venture. It is making an initial investment of $1 million and plans to increase its equity stake as more financing is needed.

The agreement allows for product distribution throughout China, but the company plans to roll out its sales operation gradually. First, it will knock on the doors of about 10 million people in the Canton area.

Avon plans to earn convertible foreign currency by exporting cosmetics. Initially, the venture will manufacture 80 to 90 skin care and fragrance products.

The manufacturing facility will begin with about 50 workers, the company said. It will train 20 supervisors this summer and hopes to hire 2,000 sales representatives between October and March. The sales representatives are to work on commission.

Photo TASS ***



BAIKONUR USSR. 6 SEPTEMBER 1989.
INTERCONTINENTAL LEADER
IN SPACE INSURANCE
GENERALI WINGS ITS FLIGHT
ABOARD SOYUZ TM8.

For the first time a space insurance coverage has been granted in connection with a sovietic launch, the Soyuz TM8. Once again, a world leader in this field, provided its specialized insurance services as previously done for NASA and the space agencies of Japan, India and Europe: the Generali Group.

GENERALI GROUP

THE INSURER WITHOUT FRONTIERS.

SPORTS/THE WORLD CUP

Soviet Union Beats Cameroon But Falls Short of Next Round

Reuters

BARI, Italy — The Soviet Union easily defeated Cameroon, 4-0, in their third and final World Cup match on Monday, but the victory came too late to prevent the Soviet team from being eliminated.

Despite the loss, Cameroon won the first-round Group B.

Oleg Protasov and Andrei Zygmantovic scored in the first half, and Alexander Zavarov, who came on as a substitute, and Igor Dobrovolsky added two more in the second to restore some pride for the Soviet team after losses to Romania and Argentina.

The Soviet Union, once one of the favored teams in the tournament, was eliminated because Romania and Argentina drew, 1-1, in Naples. The draw gave each team three points, one more than the Soviet Union, which finished last.

The Soviet Union, which dropped Zavarov at the start of the match and again kept goalkeeper Rinat Dasayev on the sidelines, dominated the whole match as its players finally found their rhythm.

The Cameroon's Soviet-born manager, Valeri Nepomniachy, could find no answer to the Soviet team's speed and accurate passing.

The Cameroon's defense had been a key factor in the team's 1-0 victory over Argentina and 2-1 victory over Romania.

But the defense was torn apart by the Soviet attack. The margin of victory could have been even larger.

Protasov opened the scoring in the 20th minute. The striker stretched out his left leg to slide home a low crossing pass from the right.

Zygmantovic scored nine minutes later. Sergei Aleinikov took the ball around goalkeeper Thomas Nkono but hit the crossbar with his shot. Zygmantovic fired home the rebound from six meters out.

Zavarov made an impact seven minutes after coming on at halftime. He wrongfooted Nkono and scored in style after a solo run.

Dobrovolsky added the last Soviet goal, in the 72nd minute, by heading a low shot past Nkono at the far post after a deep crossing pass from the left.

The scoring spree was no more than the Soviet team deserved; they turned on the style that took them to the final of the European Championship in 1988.

Alexander Uvarov was rarely troubled in the Soviet goal, and the defense looked much stronger after the return of Anatoli Demyanenko, a defender with Dynamo Kiev.

The Soviet defense appeared in danger only once. But defender Vagiz Khidiyatullin was in the right place to head the ball off the goalline after Emile Mbouh lobbed a shot from outside the penalty area with Uvarov stranded.

The Cameroon players looked ragged but had little to play for, having already cinched a place in the final 16. They may have been saving themselves for the second round, which is the knockout stage.

Roger Milla, 38, who scored twice against Romania, was booked for retaliating after coming on as substitutue in the 34th minute.

André Kana Biyik was also cautioned for a foul on Dobrovolsky. Biyik had been sent off in the first match against Argentina.

Martin Cleaver/The Associated Press

Mircea Rednic of Romania took the low route to try and slow down Argentina's Diego Maradona.

Balint's Goal Propels Romania, Argentina Into the Next Round

The Associated Press

NAPLES — Striker Gavril Balint scored the tying goal with 20 minutes remaining in the match Monday night to lift Romania into a 1-1 draw with Argentina.

The resukIt clinched a place in the second round of the World Cup for both teams.

For Romania, it was the first time in five attempts that the team had qualified for the second round of the championship.

Cameroon led the Group B standings despite its 4-0 loss to the Soviet Union.

Romania and Argentina both finished on three points, but Romania took second place with a superior goal differential.

Argentina, the defending champion, now is likely to play either Brazil or West Germany in the second round.

The crucial Romanian goal came in the 69th minute, eight minutes after defender Pedro Monzon had put Argentina in front with a header.

Midfielder Ioan Sabau headed down a crossing pass from forward Marius Lacatus. The ball was sent across the goalmouth, pulling the Argentine defense out of position. That left Balint only having to head the ball over a defender into the empty net.

The Argentine goal came after Diego Maradona curled a perfect corner kick into the penalty area. Defender Monzon beat the much-taller Gheorghe Popescu to the ball and headed it into the far corner of the goal.

After Balint stunned the defending champion and the pro-Argentina crowd of more than 52,000 in Maradona's home stadium in Naples, the South American pushed hard for the winner, but failed to beat goalkeeper Silviu Lung.

"It was a great game and a fantastic achievement," Lung said. "We showed we were strong physically and at all levels."

Maradona again led his team with a series of breaks and deep passes, but was fouled repeatedly as the Romanians tried to slow him down. He has yet to show the flair that he used to lead Argentina to victory in the 1986 World Cup in Mexico.

"This isn't the same team as in 1986," said Argentina's coach, Carlos Bilardo. "We are a younger team. After what happened in the first game, it wasn't easy to qualify" for the second round.

Argentina played with fighting spirit from the start, with Maradona, Claudio Caniggia and Jorge Burruchaga trying to break down Romania's solid defense.

In the early stages, Lacatus was shown a yellow card in the fourth minute in the first of a series of Romanian attacks on the legs of Maradona. Six minutes later playmaker Gheorghe Hagi did likewise and the Portuguese referee, Carlos Silva, had no doubts about showing his second card.

Standings

FIRST ROUND

GROUP A

	W	L	D	GF	GA	Pts
Czechoslovakia	2	0	0	6	1	4
Italy	2	0	0	2	0	4
Austria	0	2	0	0	2	0
United States	0	2	0	1	6	0

Saturday, June 9
At Rome
Italy 1, Austria 0
Sunday, June 10
At Florence
Czechoslovakia 5, U.S. 1
Thursday, June 14
At Rome
Italy 1, United States 0
Friday, June 15
At Florence
Czechoslovakia 1, Austria 0
Tuesday, June 19
At Rome
Italy vs. Czechoslovakia, 9 p.m.
At Florence
Austria vs. United States, 9 p.m.

GROUP B

	W	L	D	GF	GA	Pts
Cameroon	2	1	0	3	5	4
Romania	1	1	1	4	3	3
Argentina	1	1	1	3	2	3
Soviet Union	1	2	0	4	4	2

Friday, June 8
At Milan
Cameroon 1, Argentina 0
Saturday, June 9
At Bari
Romania 2, Soviet Union 0
Wednesday, June 13
At Naples
Argentina 2, Soviet Union 0
Thursday, June 14
At Bari
Cameroon 2, Romania 1
Monday, June 18
At Naples
Argentina 1, Romania 1
At Bari
Soviet Union 4, Cameroon 0

GROUP C

	W	L	D	GF	GA	Pts
Brazil	2	0	0	3	1	4
Costa Rica	1	1	0	1	1	2
Scotland	1	1	0	2	3	2
Sweden	0	2	0	2	4	0

Sunday, June 10
At Turin
Brazil 2 Sweden 1
Monday, June 11
At Genoa
Costa Rica 1, Scotland 0
Saturday, June 16
At Turin
Brazil 1, Costa Rica 0
At Genoa
Scotland 2, Sweden 1
Wednesday, June 20
At Turin
Brazil vs. Scotland, 9 p.m.
At Genoa
Sweden vs. Costa Rica, 9 p.m.

GROUP D

	W	L	D	GF	GA	Pts
West Germany	2	0	0	9	2	4
Colombia	1	1	0	2	1	2
Yugoslavia	1	1	0	2	4	2
United Arb Em	0	2	0	1	7	0

Saturday, June 9
At Bologna
Colombia 2, UAE 0
Sunday, June 10
At Milan
West Germany 4, Yugoslavia 1
Thursday, June 14
At Bologna
Yugoslavia 1, Colombia 0
Friday, June 15
At Milan
West Germany 5, UAE 0
Tuesday, June 19
At Bologna
Yugoslavia vs. UAE, 5 p.m.
At Milan
West Germany vs. Colombia, 5 p.m.

GROUP E

	W	L	D	GF	GA	Pts
Belgium	2	0	0	5	1	4
Spain	1	0	1	3	1	3
Uruguay	0	1	1	1	3	1
South Korea	0	2	0	1	5	0

Tuesday, June 12
At Verona
Belgium 2, South Korea 0
Wednesday, June 13
At Udine
Uruguay 0, Spain 0
Sunday, June 17
At Verona
Belgium 3, Uruguay 1
At Udine
Spain 3, South Korea 1
Thursday, June 21
At Verona
Belgium vs. Spain, 5 p.m.
At Udine
South Korea vs. Uruguay, 5 p.m.

GROUP F

	W	L	D	GF	GA	Pts
England	0	0	2	1	1	2
Netherlands	0	0	2	1	1	2
Ireland	0	0	2	1	1	2
Egypt	0	0	2	1	1	2

Monday, June 11
At Cagliari
England 1, Ireland 1
Tuesday, June 12
At Palermo
Netherlands 1, Egypt 1
Saturday, June 16
At Cagliari
England 0, Netherlands 0
Sunday, June 17
At Palermo
Ireland 0, Egypt 0
Thursday, June 21
At Cagliari
England vs. Egypt, 9 p.m.
At Palermo
Ireland vs. Netherlands, 9 p.m.

Hurt Belgians May Miss Match Against Spain

Reuters

PESCANTINA, Italy — The Belgian coach, Guy Thys, said Monday that Leo Clijsters would not play in his team's World Cup match on Thursday against Spain.

Thys indicated that he was not willing to risk key players before the second round, and said that Georges Grun and Bruno Versavel were doubtful for the Group E match.

Clijsters, who opened the scoring in Belgium's 3-1 victory over Uruguay on Sunday, strained a thigh muscle just before halftime.

Grun, who is also a defender, suffered a cut leg, and midfielder Versavel injured his knee.

"I can start running again on Friday and resume training probably on Saturday," Clijsters said.

Versavel said the team doctor would decide on Wednesday whether he could play against Spain.

Veteran defender Eric Gerets, sent off on Sunday, will also miss the Spain match.

"Clijsters is definitely out and there's only a very small chance that Grun will be ready," Thys said. "When there's even the slightest doubt about his fitness, I will not field Grun, and the same goes for Versavel."

Thys said: "I only want players in my team who are 100-percent fit. I need them too much for the second round."

He said that all the injured players were expected to have recovered by Belgium's second-round match on June 26.

Anne Dodart/The Associated Press

Emmanuel Makanaky of Cameroon tried to dribble past Oleg Kutznetsov, left, and Sergei Aleinikov of the Soviet Union.

14 English Fans Ordered by Court to Leave Italy

Compiled by Our Staff From Dispatches

CAGLIARI, Sardinia — A local court on Monday convicted 14 English fans arrested after a bottle-throwing battle with police 10 days ago and handed down sentences ranging from four months to 4½ months in prison.

The court then suspended the sentences and gave the fans 15 days to leave Italy.

The trial lasted 45 minutes. All 14 were convicted on charges of resisting arrest. Seven were also found guilty of criminal damage. One of the defendants was also convicted of possession of an illegal knife.

The sentences were mild because, under new Italian legal procedure, the defense lawyers and the state prosecutor agreed on a plea bargaining procedure that the court accepted.

Six other English fans were arrested over the weekend in clashes with police and Dutch fans before the match between England and the Netherlands on Saturday night.

No trial date has been set for them.

The 14 were arrested on downtown streets the night of June 8 in the first major confrontation between English fans and Italian security forces, which were strengthened to halt violence during the World Cup.

The riot started when police tried to clear 70 drunken fans blocking a main street outside a waterfront bar. The fans battled police with stones, bottles and empty beer cans. *(AP, UPI)*

■ Police Defend Tactics

Cagliari's police chief defended tough action by riot squads against English hooligans and warned on Monday that his men would crack down hard again if the fans caused more trouble, Reuters reported from Cagliari.

"We do not feel guilty at all. We did exactly what we had to do," the police chief, Emilio Pazzi, told a news conference called to explain his tactics when England supporters stoned police before their team's scoreless draw against the Netherlands on Saturday.

Pazzi said police fired three or four rounds of tear gas but no gun shots when fans charged a cordon of riot squads on their way to the stadium. The police then used baton charges to drive the fans back.

"We don't want Cagliari to become a battlefield. I think we would use the same tactics again," he said.

Pazzi said the vast majority of English fans on Sardinia were well behaved.

"It is a real pity that a few — and I believe there are no more than 500 hooligans — can do so much harm to the image of England," he said.

Asked about fans' complaints that Cagliari police used batons and rifle butts to beat people indiscriminately, Pazzi said it was inevitable that some innocent fans would get hurt if they were among hooligans causing trouble.

■ 70 Persons Deported

Italy has arrested more than 60 World Cup hooligans, mainly West Germans and English, and deported 70, the interior ministry said on Monday in Rome, Reuters reported.

A ministry spokesman, giving figures for the first 10 days of the month-long World Cup, said 24 of those arrested had been tried and sentenced to short or suspended terms.

Fifty-two Germans and 11 English have been deported, he said.

The figures, covering the period up to midnight on Sunday, do not include people temporarily held and then released or 14 English fans sentenced in Cagliari on Monday.

2 Japanese Attacked By Britons

Compiled by Our Staff From Dispatches

CAGLIARI, Sardinia — English soccer hooligans have assaulted a Japanese television correspondent and his cameraman in Cagliari, the Italian news agency ANSA reported.

ANSA said the incident happened near the main railway station Sunday night as the Japanese were filming English soccer fans on the street.

On Saturday, about 1,000 English fans clashed with police before the England-Netherlands match in Cagliari's stadium. More than 500 were rounded up, with most later released. Police said only three had been arrested.

ANSA identified the two Japanese as correspondent Juzuru Saito and cameraman Isoyama Katsuni of the Japan Broadcasting Corporation NHK-TV.

The report said they were punched and kicked as they filmed a group of English fans.

Their camera was grabbed and smashed while both men were beaten and Saito's glasses were broken, ANSA said.

Witnesses said a police patrol came to their rescue and took them to a hospital for treatment.

Doctors said Saito had received a cut in one eyebrow when he was hit by a rock and that Katsuni would need a week to recover from severe chest bruises caused by his beating.

None of those responsible for the attack had been apprehended, police said.

ANSA also reported that an Italian television cameraman filming Egyptian fans celebrating their team's 0-0 draw with Ireland in Milan on Sunday was attacked by a man who then ran away.

The cameraman for the RAI national network, Maurizio Sobacchi, was hospitalized with cuts and bruises, the news agency reported. *(AP, UPI)*

WORLD CUP WRAP-UP

U.S. Players Given Some Good News

FLORENCE (AP) — Eric Wynalda and John Doyle, members of the U.S. team, both got good news Monday.

Forward Wynalda was told the U.S. Soccer Federation will pay his $7,025 fine for getting ejected from the game against Czechoslovakia.

John Doyle said that he had been contacted by a Belgian team that is interested in signing the defender. He did not reveal the name of the team.

Paul Caligiuri will remain in Italy after the tournament. The striker has met with an Italian agent, Francesco Bonetto, and talked about the possibility of playing with Italian clubs Ascoli, Lecce, Bologna and Parma.

Sour Grapes From Wine Producers

ROME (AP) — Italian wine producers, who oppose a total ban on alcohol sales during World Cup games, said Monday that they intend to stage a protest on Tuesday during the match between Italy and Czechoslovakia in Rome.

The producers said that they will unfurl a banner that says "Wine is not violence," and drop leaflets from an aircraft saying "wine is not the cause of violence in sport." The producers are asking authorities to limit their ban to the narrowest possible prohibition to guarantee public order.

Bologna Eases Ban on Alcohol

BOLOGNA, Italy (Reuters) — Authorities in Bologna have eased a government ban on alcohol during the days of World Cup matches to discourage violence by hooligans.

The prefect of the city restricted the alcohol ban on Tuesday to the period between 2 P.M and 8 P.M., to leave time for lunch and dinner. Yugoslavia and the United Arab Emirates play in the city on Tuesday.

Turin and Florence also have eased the total ban.

England's Lineker, Robson Injured

CAGLIARI, Sardinia (Reuters) — Striker Gary Lineker joined midfielder Bryan Robson on England's injury list on Monday. Lineker missed training with an injured toe, but is expected to play in the team's Group F match against Egypt on Thursday.

If Bryan Robson's injuries to his toe and Achilles tendon keep him out of the match Thursday, as expected, then the team's coach, Bobby Robson, may turn to Neil Webb, who missed much of the last season after rupturing an Achilles tendon against Sweden in a World Cup qualifying match in September.

U.S. Plans National Soccer League

FLORENCE (Reuters) — The United States plans to restore a national league before the country plays host to the 1994 World Cup, the country's top soccer administrator said on Monday.

The official, Werner Fricker, said U.S. players needed the spur of regular professional club competition, which they lost when the North American Soccer League folded in 1985.

Fricker, U.S. soccer federation president and chief executive of the 1994 World Cup organizing committee, said he expected a league of 12 to 16 clubs to be in place by the 1993-94 season at the latest.

For the Record

Romario, a Brazilian striker, will play against Scotland in the Group C match on Wednesday, his first competitive game since breaking a leg in a Dutch league match three months ago, the team's manager, Sebastiao Lazaroni, said Monday in the northern Italian city of Asti. *(Reuters)*

Rinat Dasayev, the top Soviet goalkeeper, said Monday in Bari that he has no plans to retire from international soccer. Dasayev, 33, was reported to be on the verge of quitting after he was dropped following a poor performance in the 2-0 loss to Romania. *(Reuters)*

Quotable

Ruud Gullit, the Dutch captain: "Everybody has the same chances to advance. . . . But as for us, we can't play worse than we have. That's an advantage." *(AP)*

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(Continued from Page 13)

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Beirut Puts War on Hold for Soccer

The Associated Press

BEIRUT — World Cup fever is sweeping Lebanon. When matches start, rival Christian fighters lay down their guns, switch on their portable television sets and, for a while at least, the country is calm.

The only gunfire comes when excited militiamen shoot in the air in jubilation after their favorite teams have scored.

When West Germany played Yugoslavia last week, a group of scruffy militiamen from Samir Geagea's Lebanese Forces gathered around a mobile anti-aircraft gun in East Beirut's Ashrafiyeh district. They watched the game on a portable television set propped up beside the twin-barreled Soviet-designed "Dushka" weapon.

A few score yards away, rival troops loyal to Major General Michel Aoun also watched the game on a TV powered by a truck battery.

When West Germany's Lothar Matthäus scored his second goal, both groups whooped for joy and fired off clips of bullets into the air.

"The World Cup's been a godsend," said one man in East Beirut. "We really needed a diversion, even if it's only for a month."

Across the devastated city, in the Shiite Moslem shantytown slums of South Beirut, there are similar scenes of World Cup addiction.

Every afternoon, when the soccer matches start in Italy, television sets are switched on and the country's 15-year-old civil war eases for a few hours.

Electricity in Beirut has been cut since early February because the city's power plants were knocked out in the fighting, so everyone uses generators.

Just before the World Cup telecasts begin, Beirut shuts down. The streets are virtually deserted. Shops are shuttered. People go home or congregate in bars to watch the games on TV.

Whole streets, for reasons known only to their residents, support different teams. The choice is usually arbitrary.

Few Lebanese have particular links with any of the countries competing in Italy. Lebanon hasn't had a national soccer team for years and, when it did, it never got anywhere near qualifying for the World Cup finals.

At the American University of Beirut in the city's Moslem sector, the campus is festooned with the flags of the competing soccer nations.

The night Egypt scored a surprise 1-1 draw with the Netherlands, Arab emotions erupted.

When Egypt held Ireland to a scoreless draw Sunday, militiamen let their guns rip with abandon.

Joyful students run through the campus, carrying burning torches, beating drums, waving Egyptian flags and lobbing plastic bags filled with water at bystanders.

Lionhearted Cameroonians Hope Victories Will Lead to Larger Payoff

By Michael Janofsky
New York Times Service

SELVA DI SASANO, Italy — The name of the country evolved from the Portuguese word for shrimp, camarão, which might have been an appropriate nickname for Cameroon when the World Cup finals began earlier this month.

Its team was viewed as only an appetizer for the other teams in its group in the world championship soccer tournament.

Yet through the first round of play, which ends Thursday night, no other team among the 24 participating has caused such a stir.

In winning their first two matches — a remarkable 1-0 upset of defending champion Argentina and a 2-1 victory over Romania — the Cameroonian players have clearly fulfilled the promise and ferocity of their true nickname, the Indomitable Lions.

With one first-round match to play — Monday night in Bari against the Soviet Union — the Lions already had assured themselves of a place among the 16 teams that will advance to round two, when the monthlong tournament changes to a single-elimination format.

The Lions' two victories have not only unleashed a wave of joy across Africa, a soccer-mad continent, they have also given Cameroonians new hope that investors and tourists might discover their land, just above the equator in the crook of Africa's West Coast.

Further, they have given impetus to a growing feeling that Africa deserves more than two places (Cameroon and Egypt filled them this year) in the World Cup finals, compared with 13 for Europe.

Like many African nations, Cameroon is inching from an agricultural base toward industrialization.

Nearly two-thirds of the country's 11 million people are still earning a living from the soil.

Five years ago, the nation was without television.

A brochure recently published by the government proudly boasts of "tarred" roadways now in place.

Money is scarce; goods are limited and expensive.

Many of the fields used by soccer clubs are of sand, unlike the manicured lawns of Europe.

"We have so many tribes in our country," said Professor Pierre Tsala Mbala, the national team's physiologist since 1976. "Football is one way to unite our country, the only way to have our people fit together. I don't know of another event to mean more to our people than football. Football is a big unifier in our country."

The sport is so popular that eight years ago in Yaoundé, the capital, more than 200,000 people attended Cameroon's World Cup qualifying match with Morocco in a stadium that seats 50,000.

"In Africa, a seat for one is a seat for 10," said Theophile Abege, a retired midfielder who starred for the national team for years. "There were 500,000 more outside the stadium, with their radios chattering. They were there to support the team, to live with the team."

Abege, the players and others in Cameroon's World Cup delegation are based here in a tiny hilltop town on Italy's heel, overlooking white-

washed stone houses, acres of olive tree groves and the Adriatic Sea.

The team practices at a small field at the foot of the hill, in the town of Fasano, where children watch them train and tug at their jacket sleeves for autographs.

In recent days, many of the Cameroonians have talked by telephone to relatives and friends at home. They have all heard the variations on a theme, of the joy over the team's victories, of the celebrations, of the expectations for continued success.

"There is happiness all over the country," said Mbena Mengue, the director of the Prevoyance Football Club in Yaoundé and head of the delegation. "The walking has stopped. People are dancing. They are enjoying themselves. This is a very big event in our country. Very big."

"Feasts," said Mbala, who has spoken to his wife in Yaoundé. "Many feasts. People drink lots of beer and palm drinks and eat lots of food: meat, beef, chicken, fishes, small animals from the bush. Some people were up all night last Friday, making feasts."

Beyond the joy, however, Cameroonians are hoping victories might generate other benefits for their country, the way staging the 1988 Summer Olympics helped South Korea reach trade agreements with new partners, such as the Soviet Union and some of its former satellite states.

Cameroon, which gained independence 30 years ago after decades as a divided country under British and French control, sorely needs assistance in all aspects of society, chiefly economic.

Aside from just two large cities, Yaoundé and Douala, and several remote game preserves, the country lacks the kind of magnets that attract investments and tourists.

The World Cup is a rare opportunity to bring Cameroon attention from beyond the continent.

Mengue cited Valeri Nepomniachi, a former assistant coach with the Soviet national team who was hired last year to coach the Lions, as an example of the benefits of foreign assistance.

"If we can be helped in joint ventures in the matters of sports management," Mengue said, "we can be helped to make up our infrastructure. So maybe this is an occasion for others to come and visit in Cameroon."

"The entire world is talking about Cameroon," said Michel Kaham, a Cameroonian who once played for the Cleveland Force of the Major Indoor Soccer League in the United States and is now an assistant under Nepomniachi. "Maybe some will come to visit."

This is Cameroon's second appearance in the World Cup finals.

In 1982, the Lions played remarkably well, tying each of their opponents — Peru, Poland and the eventual champion, Italy — but failed to advance. Returning home, they were greeted as heroes, and the adulation resonated throughout the continent.

Over the next few years, they established themselves as one of Africa's premier teams, and many of the players signed professional contracts in France and elsewhere.

The team won the African Nations Cup in 1984, finished second to Egypt in 1986, won again in 1988 and lost this year's championship to Algeria.

In 1986, Zambia beat Cameroon in the World Cup qualification to join Morocco in the finals.

Meanwhile, other African teams have improved to the point that Abege, now an administrator with Air Cameroon, said that as many as six others could have done as well as Cameroon in this year's World Cup. He named Algeria, Morocco, Zambia, Ghana, Zaire and Nigeria.

"Five or 10 years from now," he said, "African soccer may be the best in the world."

Many of the players say the improvement of the other African nations, their own play in the tournament and that of Egypt, which has tied both its games, could influence a decision to admit one or more other African nations.

"Before coming here," said Thomas Tataw, the team captain, "we had two motives.

"Number 1, we came to represent very well Cameroon and Africa.

"Secondly, we came here to fight, to fight to try to get Africa more representation in the World Cup. If we are able to put up a good show, possibly they will recognize how far African football has come."

So far, the show has been dazzling.

This is a team with a style unlike that of any other squad in the tournament.

Rather than advance the ball with short, quick passes through the middle of the field or with long, deep drives down the wings, the Lions dart about at a frenetic pace, each dribbler keeping the ball on his feet until absolutely forced to pass. Passing, like dribbling and running, is done at maximum speed.

François Omam Biyik, 24, a forward, drew sudden international acclaim by scoring the goal that beat Argentina, just seconds after his brother, André Kana Biyik, was banished for a foul.

But the star of the show and spiritual leader of the team is Roger Albert Milla, 38, who came out of retirement on public demand in May to rejoin the team in preparation. Twice Africa's player of the year, he entered the match against Romania in the 58th minute and broke a scoreless tie with two goals.

He has since become so swept up in the excitement of the team's success and his own rediscovered enthusiasm that he pronounced his intention to play another two years before retiring for good.

"When I returned to the team, everyone was happy to see me," he said. "Well, maybe some of the younger ones were not O.K. to have me. But they were the first ones to greet me after my goals."

Nepomniachi, 45, a native of Siberia who speaks only Russian and communicates to his players through an aide, plays down his role in the mix, saying, "I think I have not done a great deal."

In fact, he has.

To the apparent randomness of the offense he has brought a Soviet-style defense, structured and disciplined, which had a lot to do with frustrating Diego Maradona, the Argentine star, in the opening match.

In the final analysis, though, many of the players attribute the team's success not so much to order or chaos but to heart, the heart of the lion.

They speak of a harmonious team, a team of brothers, of laughers, of dancers, of men who are not surprised in the least by their accomplishments.

"In Cameroon, big lions are like gods," said Jean Claude Pagal, 21, a defenseman. "When we play, we have lions in our hearts."

AFP

Roger Milla has even postponed his second retirement.

Italy Shifts Attack To 2 New Strikers

The Associated Press

MARINO, Italy — The Italian coach, Azeglio Vicini, said Monday that he plans to use a different pair of strikers Tuesday night in the hope of energizing the team's low-scoring offense when it meets Czechoslovakia in a World Cup match for first place in Group A.

The other final Group A match features two teams each looking for its first victory: the United States and Austria. Both matches will be played at the same time.

Vicini, in a surprising change to his lineup, said backup strikers Roberto Baggio and Salvatore Schillaci would replace Andrea Carnevale and Gianluca Vialli.

Neither Carnevale nor Vialli has scored in Italy's two victories, both won by scores of 1-0, against Austria and the United States.

Vicini said he was keeping Vialli out of the match because the striker has a sore thigh muscle.

He did not explain why he was benching Carnevale, but the striker was pulled out of in the second half of the team's first two matches after failing to generate scoring chances.

The Italian offense has been criticized by the press and fans alike for its lack of scoring punch. The lineup changes appear aimed at shaking up the offense.

Baggio, 23, was the second-leading scorer in the top Italian soccer league this year with 17 goals while playing for Fiorentina. In May, he was transferred to Juventus of Turin for a record fee of $13.8 million.

Schillaci, who scored 15 goals with Juventus this year, came on as a substitute to score the winning goal in Italy's 1-0 victory over Austria on June 9.

But the two strikers have never played together in a game.

Italy and Czechoslovakia each have four points in Group A. The winner Tuesday night would finish the first round atop the group and remain in Rome for a second-round match against a third-place team. The runner-up in Group A will travel to Bari to meet the second-place team from Group C.

In the event of a draw, Czechoslovakia would win the group on goal differential by virtue of its 5-1 victory over the United States and 1-0 victory over Austria.

There is an additional incentive to finish first in the group. The winner of the second-round match in Bari most likely will face the West Germans in Milan in a July 1 quarterfinal match.

Czechoslovakia's coach, Jozef Venglos, said he was counting on Tomas Skuhravy, who has scored two goals in the finals, and fellow attacker Ivo Knoflicek to provide the scoring against Italy. Michal Bilek, a defender-midfielder, has scored twice on penalty kicks.

The Czechoslovak defense will be strengthened by the return of Frantisek Straka after a leg injury.

[But Venglos said he will not play midfielder Jozef Chovanec because Chovanec's muscle strain had not fully healed, Reuters reported from Rome.]

Czechoslovakia also will be without midfielder Lajos Kubik, who drew his second yellow card of the tournament in the 1-0 victory over Austria. Kubik, who plays for Fiorentina in the Italian league, is Czechoslovakia's field general and free-kick specialist.

Italy, too, will be missing a key midfielder. Carlo Ancelotti has a bruised knee and Vicini is keeping Nicola Berti in Ancelotti's spot to give the AC Milan standout more time to recover.

■ Austrians Plan to Attack

The Austrian coach has warned that his team intends to go for broke in its match on Tuesday in Florence against the United States, The Associated Press reported from Florence.

"We need to win by at least two goals to have a real possibility of staying on in this tournament," said Josef Hickersberger.

In theory, either Austria or the United States could qualify for the second round with a victory to finish third in Group A.

But both are long-shots, at best, because third-place teams in other groups are likely to have better goal differentials, if not more points, to take the berths.

"I was very impressed with the way the United States played against Italy," Hickersberger said. "It played according to its strengths: tight defense, a strong midfield, and excellent physical shape. The U.S. also has two midfielders who could play in any European club: Tab Ramos and John Harkes."

Hickersberger said that he does not believe that the United States will build a wall around its goal for 90 minutes the way it did in the 1-0 loss to Italy.

The Americans "will probably play to win against us. This will open things up for us on the attack. But it will also make things more difficult for us on defense," Hickersberger said.

Austria will probably field three forwards against the United States, adding Andreas Ogris to its potent tandem of Toni Polster and Gerhard Rodax.

The U.S. players said they will try to prevent the offensive potential of the Austrians from awakening Tuesday night. So far, Austria has yet to score in the tournament.

"I don't know what their problem is," said Tony Meola, the U.S. goalkeeper. "They have two of the best forwards in the world. I just hope they don't play their best game against us."

Photos by Georges Gobet/Agence France-Presse

Wim Kieft, far left, and Marco van Basten went through a little dance as they warmed up at practice Monday for their team's match against Ireland. Coach Leo Beenhakker, right, could only hope that Ruud Gullit was prepared to play a heads-up match on Thursday.

Yugoslavia Ponders A Boost to Offense

The Associated Press

BOLOGNA, Italy — Yugoslavia's manager, Ivica Osim, said Monday that he is considering adding a second striker for the match Tuesday against the United Arab Emirates in an attempt to give Yugoslavia more power in its attack.

"We need four points to be certain of qualifying and that means we have to beat the United Arab Emirates," Osim said. "There have been many surprises in this World Cup, and we must not allow another one."

Yugoslavia, which entered the tournament undefeated in World Cup qualification matches, was considered one of the potential dark horses. But the team was defeated, 4-1, by West Germany in its opening Group D match.

Osim made three changes in his lineup, and the revamped team rallied to defeat Colombia, 1-0, in its next match.

Before that match, Osim said that three points would be enough to advance to the second round. But Monday he said he thought that Yugoslavia will need four points to be certain.

In the other Group D match on Tuesday in the last phase of round-robin play, West Germany plays Colombia. West Germany, a 5-1 victor over the United Arab Emirates, already has clinched a spot in the second round.

Colombia, with two points following its 2-0 victory over the United Arab Emirates, also is seeking a victory to guarantee a place in the second round.

"If West Germany keeps up its form, it should have no problem against Colombia," Osim said. "But the outcome of that match could affect our own fate, so we must win."

Osim would not name his starting lineup.

"It is logical that we should try to bolster our attack, but that means sacrificing something in the defense," Osim said. "We have to try penetrating from the wings."

Yugoslavia normally plays with one classical striker, but Osim said that the usual starter, Zlatko Vujovic has played below expectations.

Vujovic was replaced in the second half against Colombia by Darko Pancev, a Red Star Belgrade striker with 36 league and cup goals this season.

The coach of the United Arab Emirates, Carlos Alberto Parreira, said there was only a 10 percent chance that Mubarak Ghanem Mubarak, the team captain, would be fit for the match. The defender is still recovering from surgery to repair knee ligaments.

His replacement in the first two matches, Yousef Hussain Mohammed, has been suspended after receiving two yellow cards.

Parreira said Abdulrahman Mohammed Haddad was likely to start.

"After two World Cup matches, my players have enough confidence to make the best out of Tuesday's game," said Parreira, whose team is making its first appearance in the World Cup finals.

■ Germans Are Confident

West Germany is entering its final Group D match full of confidence, The Associated Press reported from Milan.

The team's manager, Franz Beckenbauer, said West Germany has the ability to crush any opponent if it plays with the same aggression and concentration that produced the victories over Yugoslavia and the United Arab Emirates.

"Colombia is a strong opponent, but they could hardly resist us if we play the way we did in the championship so far," Beckenbauer said Monday.

West Germany, perhaps the most impressive team in the early matches, can clinch first place in its group merely by drawing with Colombia.

Beckenbauer has said, however, that his team will play for a third victory in its traditional style — exerting pressure whenever possible.

In the only change for West Germany, Beckenbauer said that Hans Pflügler would replace Andreas Brehme, disqualified for one match after receiving two yellow cards for rough play.

The Colombian coach, Francisco Maturana, said he will make several changes in the hopes of improving his midfield.

Luis Fajardo and Carlos Enrique Estrada will replace Bernardo Redín and Arnoldo Iguarán.

Colombia relies heavily on the imaginative play of midfielder Carlos Valderrama and on goalkeeper René Higuita.

For Some Favorites, Fate May Rest on a Lucky Lottery Draw

Reuters

NAPLES — Teams that began the World Cup finals among the favorites may find themselves in a state of limbo brought on by their disappointing play and the complicated system of qualifying for the second round.

Defending champion Argentina, for example, went into its final Group B game with Romania on Monday knowing that, unless it won, it could only hope to advance as one of the "best of the rest."

Finishing third in the group could mean a three-day wait until all the first-round matches are finished on Thursday to find out whether the team will continue playing in the tournament.

Several teams that were considered potential winners of the World Cup before the tournament started are in danger of elimination before the final group matches.

Apart from Argentina and the Soviet Union, which also played Monday night, the Netherlands, England and Uruguay all need a strong result from their final first-round matches to retain a chance of surviving.

Some are likely to be put into the position of relying on the luck of the draw in the lottery that will determine which of the teams finishing third in each group will get to the second round.

The top two teams from each of the six groups automatically qualify for the last 16, along with the four best third-place teams, based first on points, then goal difference and finally on number of goals scored.

Only six countries — Italy, West Germany, Brazil, Czechoslovakia, Belgium and Cameroon — have won their first two matches, thus reaching four points and guaranteeing a place in the next round.

For the rest the target is three points, a figure that should allow a team to qualify for the next round. Spain is the only team already at this level.

To complicate matters, some countries may get through on two points, which means that even countries that lost both their matches to date, such as the Soviet Union, Sweden and Austria, still have a chance.

Two of the six groups are particularly intricate.

If the favorites do has expected in Group C on Wednesday, Brazil should beat Scotland and Sweden defeat Costa Rica.

This would leave Brazil as the group winner, with six points, and the other three teams with two points each. Goal difference then would decide their fate; at least one would qualify as second in the group and perhaps another as a best-placed third team.

Group F, with the Netherlands, England, Ireland and Egypt, is a worse off because all four teams have two points and identical goals for and against.

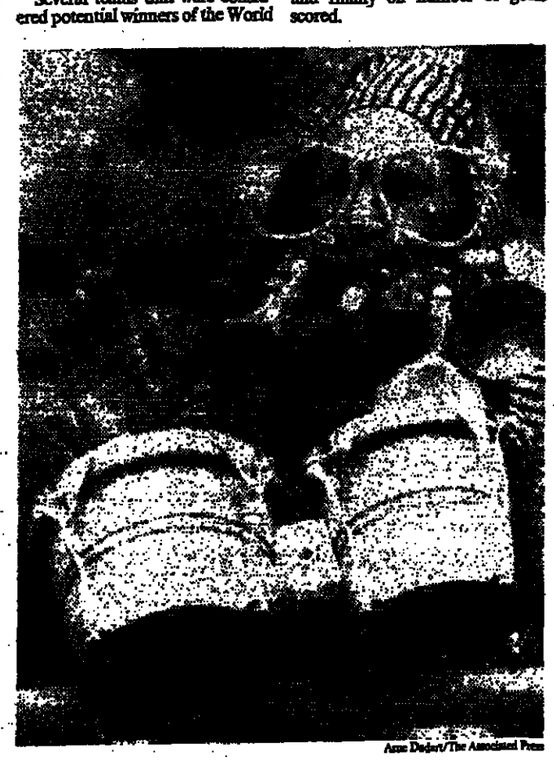
Two more draws in Thursday's final matches could mean that the entire section will be decided by a lottery.

It is ironic that so many favorites should be struggling to get through, because critics of the system have complained that the first two weeks of the tournament are meaningless since only eight of the 24 starters are eliminated.

The six outsiders from Asia, Africa and North and Central America were expected to be eliminated, leaving just two teams from Europe and South America to join them.

But the performances of Cameroon, which already has qualified, as well as Costa Rica and Egypt, which still have a good chance, have thrown the groups wide open and made the tournament's early stages less predictable.

Yet fears of an early exit have not encouraged teams to emphasize goal scoring. Only 53 goals had been scored, for an average of 2.2 per match, when Sunday's matches were over — just slightly better than the 52 goals at the same stage of the tournament four years ago.


Arne Dedert/The Associated Press

An Egyptian fan came well equipped to cheer on his team against the Irish, but the match in Palermo ended on a flat note, a 0-0 draw.

Drumming Up Support for Spain

Reuters

UDINE, Italy — Manolo has been banging the drum for Spain for almost 20 years. It's his way of making friends as well as noise.

Sometimes he is not appreciated, but like any other trooper, he'll give up only when his fans tell him to.

Manolo is the Spanish soccer team's No. 1 supporter, a standard feature of matches on three continents for almost as long as some of the present World Cup players have been alive.

Wearing a shirt in the red and yellow national colors and a distinctive wide, flat, black Basque beret, Manolo is more easily recognizable than many of the Spanish players.

He always wears a shirt with the No. 12 on the back, and many times he has acted as the team's 12th man, drumming up support to urge on the "Red Furies."

A chubby, balding and ever-cheerful 41-year-old, Manolo's real name is Manuel Caceres Artesero.

"But no-one calls me that," he quickly points out. "Everyone knows me as 'Manolo of the big drum.'"

He is proud of being an unofficial ambassador for his country, being recognized and feted wherever he goes.

His arrival in a new town rarely goes unnoticed. He travels in a minibus — painted red and yellow and sporting advertisements for a Spanish soccer magazine and other sponsors.

It is only when a match gets underway, however, that he comes into his own, banging his drum and leading a group of friends who accompany him on his travels and bring trumpets and other instruments to accompany his percussive efforts.

The result may fall short of the hip-swinging rhythms of Brazilian soccer's musical followers, but it clearly inspires and attracts attention.

The novelty of Manolo has long worn off for many of his fellow Spaniards, though, and the Spanish soccer federation, which used to welcome him as a self-appointed mascot, now has little or nothing to do with him.

Part of the reason is that Manolo does not show up at matches as often as he used to. Fame has brought him some rewards and he is often too busy running his restaurant in Valencia.

No matter. Manolo would love to follow the Spanish team to Brazil or Argentina, but in the meantime he is quite happy to be in the quiet backwater of northern Italy where Latin passions for soccer are subdued to the point of invisibility.

As at the last two World Cups, Manolo is in country for the duration, no matter what happens to the Spanish team.

But he is always hopeful about Spain's chances despite a less than brilliant start to its World Cup campaign.

"We had problems with Uruguay, but it's not so different as in Mexico four years ago," he said.

"There we began very badly but then we came good." In the 1986 World Cup, Spain was eliminated on penalties by Belgium in the quarterfinals.

"We could make the semifinals, or even the final, this time," Manolo said. "We've got some good players."

After almost 20 years of such declarations, Manolo's public optimism is unshaken.

How long can he go on?

"I'll continue until God calls me, or until the public tells me to leave," he said.

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SPORTS

Williams Powers Giants Past Braves

Compiled by Our Staff From Dispatches

When you're a third baseman whose name is being mentioned in the same sentence as that of Hall-of-Famer Brooks Robinson, you must be doing virtually everything right.

To be sure, San Francisco's Matt Williams is doing very little wrong these days. On Sunday, he broke a tie with an eighth-inning single as the San Francisco Giants beat the Atlanta Braves, 9-7, to increase their record this month to 15-1 with an eighth straight victory.

Williams doubled twice and extended his hitting streak to a career-high 14 games. His two runs batted in gave him the National League lead with 55, with 20 in his last 14 games.

And the 24-year-old power hitter also is drawing praise for his defense.

"Williams reminds me of an old-time ballplayer," said Atlanta's manager, Russ Nixon. "Brooks Robinson was that way. He wasn't fast either and he had quickness. Williams also has good hands and a great arm ... And God, is he strong.

"Williams is probably the best all-around third baseman in the league," Nixon said. "The only other guy close is Tim Wallach [of Montreal], and he's having a great year, too."

Williams began Sunday with .973 fielding percentage, second in the league behind Wallach. With runners in scoring position, Williams is 28 for 66 (.424) at the plate.

The Giants broke a 7-7 tie in the eighth, when Will Clark walked and went to second on Kevin Mitchell's single. Williams followed with a hit off Tony Castillo, and the Giants got another run on an infield hit by Terry Kennedy.

BASEBALL ROUNDUP

Reds 7, Astros 1: In Cincinnati, Eric Davis homered twice and drove in four runs and Jose Rijo struck out 10 in holding Houston to four hits over eight innings.

Both benches emptied but no punches were thrown in the seventh after Xavier Hernandez, who had been warned earlier after hitting Glenn Braggs, hit Todd Benzinger with the pitch following Davis' second homer. Hernandez and his manager, Art Howe, were ejected.

Mets 4, Pirates 3: In Pittsburgh, Mark Carreon hit two bases-empty homers, got three hits and scored three runs for New York as Dwight Gooden beat the Pirates for the first time in two years. Gooden struck out eight in seven innings and survived Sid Bream's three hits.

Dodgers 6, Padres 3: Kirk Gibson hit a three-run homer and Mike Sharperson a two-run single against San Diego in Los Angeles.

Cardinals 7, Expos 1: Jose DeLeon held Montreal to two hits, struck out seven but walked six in 7⅓ innings and Terry Pendleton had a home run and an RBI double for the Cardinals in St. Louis.

Cubs 5, Phillies 3: In Philadelphia, Joe Girardi singled home Domingo Ramos with two out in the eighth to end a 3-3 tie, and Jeff Pico settled down after yielding three runs and four hits in the first inning as Chicago broke a six-game losing streak.

Athletics 5, White Sox 2: In an American League game in Chicago, Mark McGwire homered to tie the score at 2 in the eighth before singles by Terry Steinbach, Doug Jennings and Felix Jose gave the Athletics the victory. Jamie Quirk hit a two-run double in the ninth.

Twins 4, Royals 1: In Kansas City, Kevin Tapani pitched a six-hitter over seven innings and Brian Harper singled in two runs in the fourth as Minnesota ended a nine-game losing streak.

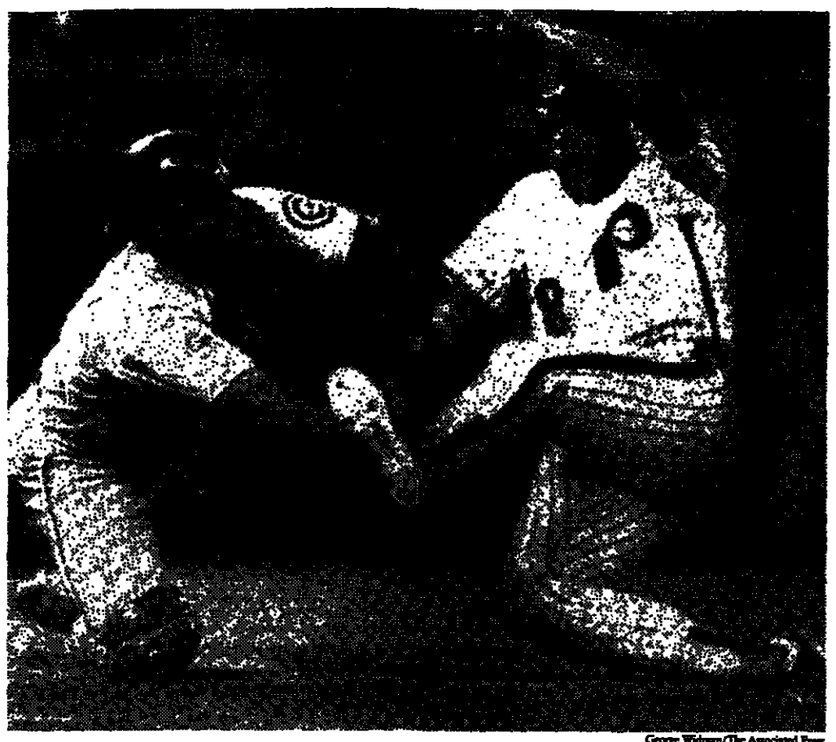
Angels 7, Tigers 3: In Detroit, Lance Parrish hit his 100th homer in the majors, which also was his seventh grand slam.

With California leading, 2-0, Devon White and Dick Schofield walked to open the fifth. Wally Joyner had an RBI single with one out before Dave Winfield walked. Parrish then lined a 1-0 pitch over the left-field fence for his 12th homer this season and second in three games.

Red Sox 6, Orioles 5: Carlos Quintana hit a three-run homer and Jody Reed drove in three runs as Boston sent the Orioles to their fifth straight loss in Baltimore.

Mariners 6, Rangers 3: Darnell Coles and Ken Griffey Jr. each drove in two runs in Seattle and Randy Johnson won his fourth straight start. Johnson gave up two runs and eight hits over eight innings. He struck out seven and walked five.

Coles had three hits, including a two-run homer in the second off Bobby Witt that put the Mariners ahead for good at 2-1. *(AP, UPI)*



George Widman/The Associated Press

With the score 3-3 in the sixth, Joe Girardi made the tag on Philadelphia's John Kruk at the plate.

Tyson Puts Foreman Off

United Press International

LAS VEGAS — Mike Tyson's promoter, Don King, has announced that the former heavyweight champion will fight a young contender, Alex Stewart, on Sept. 8, while George Foreman has agreed to fight Francesco Damiani on the same card at Caesars Palace, but called for a showdown with Tyson.

"Let's get George Foreman and Mike Tyson together once and for all," Foreman said. "That'll be the end of the whole thing. Who's playing these games anyway?

"If 10, 15 or 20 million dollars isn't enough, I don't know what is. We've got to fight sometime, why not fight one another? The winner would then fight for the heavyweight championship."

Representatives of Tyson and Foreman met Sunday to plot the next move, but King said he would rather wait for a Tyson-Foreman battle until there was a world championship at stake.

Representatives of Foreman and Damiani agreed that Damiani's lightly regarded World Boxing Organization title would not be at stake.

Tyson's next opponent, Stewart, is 25-1 with 25 knockouts.

SIDELINES

Wimbledon Seeds Lendl, Graf No. 1

WIMBLEDON, England (AP) — Ivan Lendl, who has never won at Wimbledon, for the second year in a row was seeded No. 1 Monday for the tournament. Defending champion Boris Becker was seeded second.

The All-England Lawn Tennis Club stuck to the computer rankings for the most part in handing out the seeds for the two-week long event that begins next Monday, but former champion John McEnroe got the biggest boost from tournament organizers when he was seeded fourth. That moved him ahead of three players in front of him in the computer rankings: French Open champion Andrés Gómez of Ecuador and Americans Brad Gilbert and Aaron Krickstein.

In the women's draw, defending champion Steffi Graf got the No. 1 seed, with eight-time winner Martina Navratilova second and French Open champion Monica Seles third. Jennifer Capriati, the 14-year-old from Florida who reached the French Open semifinals, was seeded 12th.

Nets Trying to Swap No. 1 NBA Pick

NEW YORK (NYT) — The word is out: The New Jersey Nets' No. 1 choice, the first pick in the National Basketball Association draft June 27, can be had for a price.

Willis Reed, the Nets' vice president of operations, has passed the word to every general manager in the NBA that a deal can be made. The price?

"A marquee-name player who can shoot from the perimeter and a high draft choice that will get us a good rebounder," said Reed.

Canada Renames Track Association

MONTREAL (AP) — The Canadian Track and Field Association has adopted a new title, Athletics Canada, which it says more accurately describes its function and will help break the organization free of the Ben Johnson steroids scandal.

Athletics Canada's president, Paul Dupre, said Sunday that athletics, used everywhere but in North America to describe track and field, includes such competitions as marathons, cross-country running and race walking that are neither track nor field events. "The name track and field is too restrictive," he said.

He said the association had fallen $413,000 into debt because of lost sponsorships and other costs resulting from Johnson's being stripped of a world record and a gold medal in the 100 meters after testing positive for anabolic steroids at the 1988 Seoul Olympics.

For the Record

Mike Krzyzewski, coach of the U.S. national basketball team, has pared the squad to 16 *(see Scoreboard)* and said, "I think we'll have a very quick team. We're not super big. We have good height. But compared to Yugoslavia or the Russian team, we will be smaller." *(AP)*

Jerome Walton, the Chicago Cubs' center fielder, had his left hand broken when he was hit by a pitch from Philadelphia's Ken Howell in the fifth inning Sunday and will be out of action for three weeks. *(AP)*

George Brett of the Kansas City Royals sprained his left wrist Saturday against Minnesota and will be out a few days. (UPI)

Gilbert Perreault, Bill Barber and Fern Flamm were named to the National Hockey League's Hall of Fame. *(Reuters)*

Overcoming Several Setbacks, Giants Have Made It a Race

By Leonard Koppett
New York Times Service

SAN FRANCISCO — The San Francisco Giants, given up for dead by the faint-hearted among their followers only a couple of weeks ago, are pennant contenders again, as befits their status as defending champions of the National League.

By winning 15 of their first 16 games in June, after falling into last place and as much as 11 games below .500 in May, the Giants are at 34-30 and have become the chief pursuers of the Cincinnati Reds, whom they'll visit next week.

How did this happen? Among a number of interrelated factors are these:

- A star pitcher restored to effectiveness through the correction of a mechanical flaw.
- A powerful batting order, which had slumped as a unit, snapping back into explosiveness as a unit.
- The arrival and overachievement of some unheralded minor leaguers, along with unforeseen contributions by a couple of other reserves.
- A favorable break in the schedule.

To understand the change, one must recall the circumstances that created the panic.

Going into the season, the Giants were seen as a team with a strong everyday lineup, bolstered by the acquisition of Kevin Bass as the right fielder, and questionable pitching.

The doubts about the pitching centered on Rick Reuschel, because he turned 41 in May; on Don Robinson, often injured and not ready to open this season; and the loss to free agency of Craig Lefferts, the left-handed game-ending supplement to Steve Bedrosian, the designated closer.

But the intended starting rotation of Reuschel, Scott Garrelts and Kelly Downs, with perhaps a rookie like Trevor Wilson helping out until Robinson was ready, seemed reasonably capable for a team with so much hitting and good defense. At least at the outset.

But Downs was hurt and Mike LaCoss, taking his place, also went out of commission after three good starts. As for Wilson, he did so poorly in spring training that he had to be farmed out.

Bedrosian, meanwhile, had to deal with a severe personal crisis, a young son who was found to have leukemia. Bedrosian is coping with the situation, but it certainly interfered with his concentration at the beginning.

Garrelts, who led the league in earned run average and winning percentage last year after being converted from reliever to starter, suddenly couldn't do anything right. By May 31, his record was 1-6 with a 6.88 ERA.

So in the first few weeks, the Giants had starters putting them behind early and a bullpen that couldn't hold a lead. The hitters, trying to take up the slack, went into a home-run-or-nothing syndrome that wasted whatever good pitching the team did get.

Then Bass, who started out well enough, injured his knee and went out for the season, re-creating the gap in right field and in the batting order. Finally, Reuschel suffered a knee injury that may end his career.

On the morning of May 30, the Giants were 18-28, in last place, 14½ games behind the Reds, who had a 30-11 record that no one had foreseen and few expected to be maintained. But the two teams, by a quirk of scheduling, hadn't played each other yet.

Since, Garrelts is back in form, thanks to film study that revealed he was bringing his gloved hand across his body too high. In his last start, on Saturday, he had a three-hit shutout for his third consecutive victory.

Robinson, finally able to pitch although still hurting, made five starts in winning games.

A 25-year-old rookie right-hander, John Burkett, was called up from Phoenix and showed astonishing poise and pitching sense while posting a 7-1 record.

Jeff Brantley, who did something of the sort for the Giants last year, emerged as a reliable reliever while Bedrosian was having difficulty, and now they have 13 saves between them.

And Wilson, brought back from Phoenix, where he had his whole pitching motion reconstructed, took Reuschel's place and produced a one-hitter in San Diego last week.

As for the outfield, Rick Leach and Rick Parker, as a platoon, have hit .314 with 17 runs batted in, and Mike Kingery has weighed in with key hits as a pinch-hitter.

Leach was unwanted by Detroit, Parker was a minor league throw-in by Philadelphia in the trade that brought Bedrosian to the Giants last year, and Kingery was cut loose by Seattle this season.

Kingery's first hit came on June 2 in a pivotal victory at Candlestick Park that really triggered this streak, which includes six victories in seven games against the last-place Braves.

The Giants won the next day, then swept a three-game series from the Reds. They had begun that home stand with a loss that made them 6-16 at home.

Now they are 15-16 and have the second-best road record in the league (19-14 to Cincinnati's 21-12). They have closed to 7½ of first place.

Pennant race coming up.

CHESS

By Robert Byrne

"NO, no, he cannot draw that — white has a great advantage," said Yuri Averbach about the final position of the game between the Seattle grandmaster Yasser Seirawan and the current challenger for the world championship, Anatoly Karpov of the Soviet Union. This was no doubt a moot point, because Karpov overstepped the time limit and lost the game, which was played in the second round of the Sweden International Tournament in early May in Haninge, a suburb of Stockholm. But for chess-players there is not such thing as a moot point.

The prevalent, but usually unexpressed, though is that there is a sort of competitive rectitude in losing to a contrivance like a clock rather than as a result of an error. Equally prevalent, and also usually unexpressed, is the thought that inability to manage the clock is somehow not an error. That's why players — Karpov is the example here — go to the trouble of stubbornly and haughtily maintaining that without that nasty clock everything would still have been all right. Yet Averbach's credentials as an endgame authority are beyond question. The former Soviet champion and president of the Soviet Chess Federation has produced some of the most important books on the endgame in recent years.

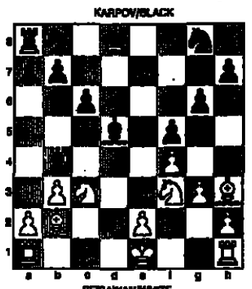
Seirawan played the opening, which quickly became an endgame, with élan, throwing Karpov into a difficult defense and pressing him all the way. In the end, the American won the tournament.

The rarely played defense to the English Opening with 2...g6 3 d4 d6 4 de de 5 Qd8 Kd8 6 Nc3 leaves Black with a good pawn position — provided he can keep it steady. It is surely better to develop with 6...Be6, as Stefan Kindermann did against Edmar Mednis in Palma de Majorca just before Christmas, than to commit yourself immediately to 6...c6, as Karpov did here. True, ...c6 always proves to be essential, sooner or later, both for keeping a knight out of d5 and for providing a haven for the black king at c7, but Seirawan revealed a weakness in it with 7 f4! Now, 7...ef? 8 Bf4 prepares to exploit the weak square d6 and the black king would have to look for a refuge.

Winning a pawn with 8...ef? 9 Bf4 Bc4 would prove to be a disaster after 10 O-O-O Ke8 11 Bh3! (threatening 12 Bc8!) Na6 12 Bd7 Ke7 13 Bd6! Kd7 14 Bf8 followed by 15 Bg7.

Karpov tried to escape the pressure with 10...Bb4 11 Bb2 Bd5, but Seirawan struck a powerful blow to open the position with 12 e4! Now, 12...Be4? 13 O-O-O Ke7 14 Ne4 fe 15 Ne5 Nf6 16 a3 Ba5 17 No4 Bc7 18 Rhe1 is positionally powerful for White. Karpov decided that the best chance for counterplay was to give up the exchange with 12...ef 13 O-O-O Bc3 14 Bc3 ef 15 Be5 Nd7 16 Bh8 and, as a practical matter, he was surely right. But whether that was enough to draw the game was quite another matter.

In playing 36...Rf5, Karpov could not stop his clock in time and thus overstepped the time limit. But did he really think that after the plausible 37 Re8 b6 38 Rg1 Kb5 39 Rd8 c5 40 Rd6 Bf7 41 Rf6 that he could put together some defense? All the same, it's a shame he denied Seirawan a chance to show off his endgame technique.



Position after 11... Bd5

ENGLISH OPENING

White Seirawan	Black Karpov	White Seirawan	Black Karpov
1 c4	e5	20 Bg4	Nh4
2 g3	g6	21 Rf2	Ng3
3 d4	cd	22 Rg1	Nh5
4 de	de	23 f5	Kf7
5 Qd8	Kd8	24 Bh2	Nf6
6 Nc3	c6	25 f3	Kb4
7 f4	Be6	26 f2	Ng4
8 Nf3	Bc4	27 Rg3	Nf6
9 Bd3	f5	28 Rd4	a5
10 h3	Bd4	29 a3	Ng8
11 Bb2	Bd5	30 Kd2	Ra8
12 e4	fe	31 Rg1	Ka4
13 O-O-O	Bc3	32 Bf3	Ra5
14 Bc3	ef3	33 Rg4	Nd6
15 Re3	Nd7	34 Re2	Nf5
16 Rh8	Ne7	35 Rh1	Re5
17 Rhf1	Nf5	36 Rxi	Rf5 and Forfeits
18 Bd4	h5		
19 g4	hg		

BOOKS

GARBO

By Antoni Gronowicz. Afterword by Richard Schickel. 476 pages. $24.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

THE GIRL WHO LOVED GARBO

By Rachel Gallagher. 259 pages. $18.95. Donald I. Fine, Inc., 128 E. 36th Street, New York, N.Y. 10016

Reviewed by Nina King

FOR almost 50 years Manhattan sightings nourished the potent legend of Greta Garbo, the star turned recluse. The protagonist of Rachel Gallagher's first novel is a Manhattanite who takes the legend seriously. The occasionally visible Garbo has become for 26-year-old Rebeccah Duffy a symbol of feminine self-definition.

It is not a very good novel; the Garbo motif seems tacked on, timed to the star's death on April 15. Antoni Gronowicz's "biography," completed in 1976, has been sitting in a vault at Simon & Schuster awaiting the death of Garbo, who, in public statements in 1978, denounced it and denied ever having met its author. The Garbo estate says the Polish-born Gronowicz, who died in 1985, never proved that he knew Garbo.

There are also plenty of internal reasons to doubt the complete veracity of Gronowicz's Garbo, starting with small print on the copyright page: "The words are those of the author, based on his recollection. ..." At best, then, this mostly first-person account is Gronowicz's alleged recollection of Garbo's alleged recollections. According to Gronowicz's prologue, he met Garbo in 1938, when he was perhaps 25, she 33. She took him to her bed immediately, but he modestly notes that she "didn't show a special ecstasy," and there is no indication that this experiment was repeated.

If you subscribe to the notion that fact is often more ludicrous than fiction, then the chief argument in favor of Gronowicz's having known Garbo is this prologue. Here is his description of the aftermath of their lovemaking: "She abruptly pushed me to one side, jumped off the bed, and started doing some forceful dance exercises while singing a Swedish peasant song whose melody — but not the words — I recognized. I was startled and asked, 'What are you doing?'

"Without interrupting her dance, she replied, 'I don't want to have a child.'" Surely no one would make that up.

Explicit sexual detail is one way in which Gronowicz's book differs from earlier accounts of the star's rise. Another is the explanation for her retirement.

The usual story is that, following the critical disaster of "Two-Faced Woman," Garbo decided to stop making movies for the duration of the war. But a kind of entropy set in, and she drifted into permanent retirement. In Gronowicz's version permanent retirement was her intention, as the only sure way of holding on to her money and her legend.

Nina King is editor of The Washington Post's Book World.

PEANUTS

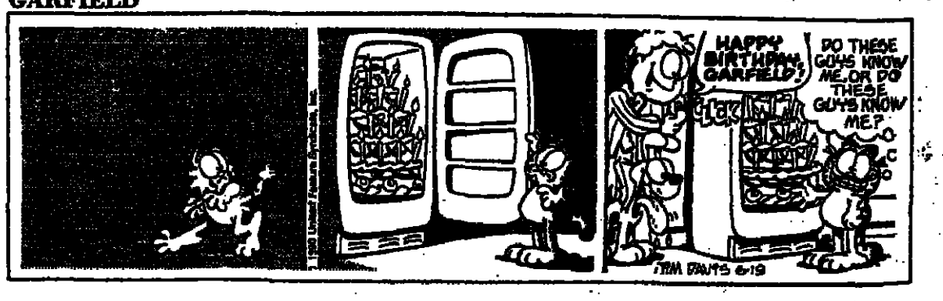
BEETLE BAILEY

ANDY CAPP

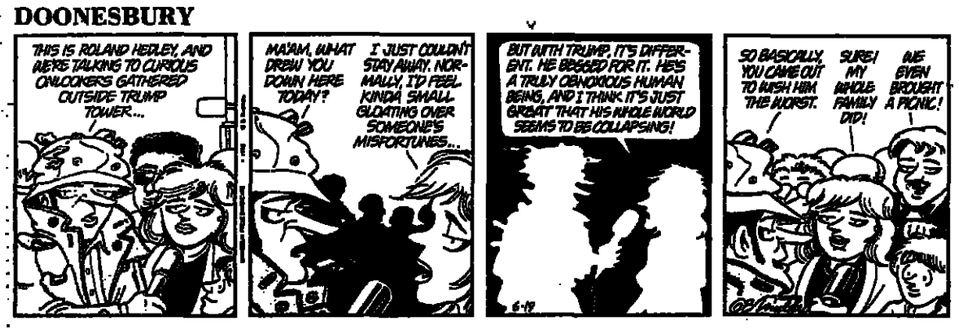
WIZARD of ID

REX MORGAN

GARFIELD



DOONESBURY



DENNIS THE MENACE

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Print answer here: _____

(Answers tomorrow)

Yesterday's Jumbles: SKUNK JETTY ABUSED BRANCH
Answer: Back in the Navy—STERN

SPORTS

USOC Votes To Buy Sports Technology of East Germans

Compiled by Our Staff From Dispatches

SAN DIEGO — The U.S. Olympic Committee's board of directors has voted to consider buying training and coaching technology from East Germany.

Andrew Kostanecki, chairman of the USOC's Sports Equipment and Technology Committee, said Sunday that sweeping reforms in Eastern Europe are forcing the East Germans to sell their technology in order to fund their own Olympic organizations.

"It's a technological candy store," said Kostanecki, who visited a sports research center in East Berlin in April. "But I'm concerned that if we sit on our hands too long, people will be hired away, the political atmosphere could change, and the window of opportunity will be closed."

Besides developing state-of-the-art equipment for luge, sailing, canoe-kayak, rowing and cycling, Kostanecki said, the center has developed new ways to measure athletes' performances.

The East German technology will not come cheap, he said, but added that the edge it would give America's Olympic athletes would be worth the price.

"Sure it's worth it if you can't do it any other way," he said. "We have to realize that we are light years behind in some areas. This is the way you have to do it if you want to compete. The ways we've [won] in the past won't work in the future."

Said Robert Helmick, the USOC president: "We have to make a decision whether to purchase technology and retain some of the technological experts or have our own system of development and delivery. My instincts say it will be more a program of bringing experts here to help us with development. But this is a changing field. It's not like buying 100 bushels of corn."

Helmick said the national governing body for each Olympic sport would decide for itself the best way to acquire the new technology.

The report by Kostanecki and Jay Kearney, the organization's acting Sports Science program director, said the United States may already be behind in the race to acquire the available technology. Italy, they said, has moved to purchase some sports science testing equipment. *(LAT, AP)*

Tim Clary/Agence France-Presse

Eugene Garcia/Agence France-Presse

Hale Irwin, above, got a charge on the 18th green after sinking his birdie putt. Shortly later, Mike Donald twisted in a 15-footer on No. 12 to save par.

Irwin Sinks 45-Foot Putt, Forces Donald to Playoff

By Jaime Diaz
New York Times Service

MEDINAH, Illinois — Curtis Strange had failed in his attempt to win three in a row, but a great player could still win his third U.S. Open golf title.

That player was Hale Irwin.

With a dramatic 45-foot (13.7-meter) birdie putt on the 18th hole, Irwin finished Sunday's fourth round with a five-under-par 67 and ended up tied with Mike Donald at eight-under 280.

That put Irwin and Donald into an 18-hole playoff on Monday. Donald shot 71 and just missed on a 40-foot putt on No. 18 Sunday.

In third place were Nick Faldo, who finished with 69, and Billy Ray Brown, who shot 72. Both just missed eight-foot birdie putts on the final hole, which would have put them into the playoff.

If the 45-year-old Irwin won the playoff, he would become the oldest winner in the history of the championship. And he would join Willie Anderson, Bobby Jones, Ben Hogan and Jack Nicklaus, all of whom won four, as the only men to win at least three U.S. Opens.

To play at Medinah, Irwin had to receive a special exemption from the U.S. Golf Association, because his 10-year exemption from his 1979 Open victory had run out.

Sunday, Irwin shot a five-under 31 on the back nine, the best score on those holes all week.

It overcame a Grand Slam bid by Faldo, a patented fourth-round charge by Greg Norman and a valiant first Open effort by Brown. But it wasn't quite good enough to beat Donald.

Strange, the two-time defending Open champion, was never in contention as he shot 75 to finish at 286. He thus failed in his bid to

U.S. OPEN

become the first man in 85 years to win three straight U.S. Opens.

Irwin, who began the day trailing the co-leaders, Donald and Brown, by four shots, came to the last hole two shots behind Donald, who was nine holes behind.

After a good drive, he hit an indifferent seven-iron to the front right of the green. He stroked his putt firmly, and the ball was traveling at perfect speed when it dropped into the hole.

The moment it fell, Irwin broke into a run, his arms raised, passing next to the gallery and slapping high-fives with several persons.

"It seemed like it took forever to get to the hole," Irwin said. "In my 22 years in the game, I have never made a putt like that to win a golf tournament."

If he won Monday, it would be his first victory since the 1985 Memorial. He won the 1979 Open at Inverness, in Toledo, Ohio, and the 1974 Open at Winged Foot, in Mamaroneck, New York. At Medinah in 1975, he finished tied for third.

"At Winged Foot, making pars was the name of the game," he said. "Here, you had to make some birdies. I must play well at Medinah."

For the first half of his round Sunday, Irwin was little more than a spectator observing Norman's charge. Beginning the day at two under, Norman birdied the 5th, the 6th, the 8th, the 10th and the 13th holes to go seven under par.

But he bogeyed the par-5 14th when he hit his second shot into the trees and his third into a greenside bunker. He also bogeyed the par-3 17th, and finished with at 69-283.

As Norman's bid was beginning to falter, Irwin was in the middle of his own surge. After saving a par on the ninth hole for an even-par 36, he hit three superb iron shots in a row to get birdies: a seven-iron to six feet on the 11th, a five-iron to four feet on the 12th, and a four-iron to three feet on the par-3 13th. On the par-5 14th, he hit a pitching wedge to 12 feet and holed that for a fourth straight birdie, which put him within two strokes of Donald.

Donald, a 34-year-old journeyman who has only one tournament victory, played like a seasoned winner Sunday. He birdied the par-4 first hole with a 12-foot putt, and made a five-footer for a 2 at the 180-yard second. From there, he made 12 consecutive pars, most notably making a 15-foot save on the par-4 12th and a 12-footer to save par on the par-5 14th.

Donald's streak ended on the 16th, a difficult, dogleg-left par-4 of 426 yards. After a good drive, he pushed his long-iron approach into a greenside bunker, blasted out to 15 feet, and left the ball hanging on the lip of the cup.

He parred the 17th, missing a 20-foot putt for birdie. At the 18th, he pushed his eight-iron second shot 40 feet to the right of the flag. His sharply breaking putt just passed the high side of the hole, stopping three feet past. After Brown missed his birdie attempt, Donald made his to force the playoff.

"It was a great day," he said. "I'm really looking forward to tomorrow. The job's not done. I'm in a position to win a national championship. I've got to regroup."

In recent years, Irwin has cut back his playing schedule to become involved in golf-course architecture. But after opening with a 69 and a 70 here, he warned on Friday that he was playing well.

"I don't know about the rest of you, but I don't feel like I'm over the hill," Irwin said then. "I feel very good. The more I play well, the more I remember what it takes."

22 Years on Tour, Irwin Calls Putt of a Lifetime 'Sweet as a Baby's Kiss'

New York Times Service

MEDINAH, Illinois — Hale Irwin had shot 67, jogging a victory lap around the 18th green under a warm waterfall of applause. And now, as the 45-year-old touring pro answered questions in the interview tent, he politely refused to discuss what his feelings would be if he were to win his third U.S. Open.

"I'm not winning this tournament at the moment," he said. "Until that time I don't want to discuss that."

Then he noticed the assembled reporters reacting to what was happening on a television screen he couldn't see. "What happened?" he asked. "I want a blow-by-blow."

"Donald saved par with a long putt," he was told.

In the wind that finally blew across Medinah's No. 3 course, the leaderboard watchers had focused on Curtis Strange's bid for a third consecutive Open title, on Nick Faldo's bid to keep a Grand Slam alive, on Jack Nicklaus and Greg Norman.

But almost invisibly, Mike Donald, a 35-year-old touring pro who only a few years ago was delivering flowers, kept making or saving pars for a 71 that would create an 18-hole playoff with Irwin on Monday.

No matter which golfer won, this Open will be remembered for Irwin's 45-foot (13.7-meter) birdie putt across the grassy hump of the 18th green.

"I hung it out there to break about five feet, and it trickled right down in, as sweet as a baby's kiss," said the father of two teenage daughters. "In my 22 years on the tour, I've never made a putt like that to win or come close to winning. It was easily four times any putt I made all week. I'm not going to say it was purely accidental, but the hole got in the way."

If he were to win Monday in golf's only 18-hole playoff, he would become the only golfer with three U.S. Open titles except for the four men who each won four: Jack Nicklaus, Ben Hogan, Bobby Jones and Willie Anderson.

"That's a different format," Irwin said of the playoff. "To stay as high as I am now might be difficult."

On Sunday's back nine, he finally felt comfortable putting, holing five birdie putts for a 31.

"When I got to eight under with that last putt," Irwin said, "I didn't think I won the Open, but I knew I had a chance to win the Open. With only eight holes to go, I was only three under. So to get to eight under was the exhilaration. Not that I expected to win, but I expected to have a chance."

Upon entering the interview tent, Irwin did an encore of his victory lap: jogging down an aisle, past the front of the platform where he would sit, up another aisle, then turning and hurrying up behind the table where he would sit.

"I don't know how you can remain stoic after making a putt like that," he said. "Had I done something like that without a soul watching, I would've been happy. But with that roar ringing in your ears, it was really something."

Seldom has a golfer reacted so emotionally to a memorable putt. Some golfers wave. Some do a quick dance. Some hug their caddie.

But knowing he might have an opportunity to be the oldest Open champion, Irwin, his arms high, jogged across and around the green, then high-fived a few of the gallery marshalls. He did everything but spike his putter. With that in mind, the former University of Colorado defensive back was asked if he had ever celebrated like that after an interception.

"I never had any," he said with a laugh.

Despite his two Open victories, Irwin's automatic exemptions had expired. Earlier this year he was checking his PGA Tour schedule to see if he might try to qualify for the Open when a letter from the U.S. Golf Association arrived.

He had been granted a "special exemption," and now, with his 280 on the board after he peered through his contact lenses at the line of that 45-foot putt, he was America's golfer.

"It was an extremely exciting back nine, I must admit," he said. "With eight holes to go, I was only three under par. Like I've said, patience is a virtue in the U.S. Open."

VANTAGE POINT/Dave Anderson

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Toronto	38	27	.585	—
Boston	35	27	.565	1½
Detroit	31	24	.477	7
Cleveland	29	32	.475	7
Milwaukee	29	32	.475	7
Baltimore	29	34	.460	8
New York	21	39	.350	14½
West Division				
Oakland	42	20	.677	—
Chicago	37	23	.617	4
California	32	32	.500	11
Minnesota	31	31	.500	11
Seattle	32	34	.485	12
Texas	27	37	.422	16
Kansas City	25	36	.410	16½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	38	24	.613	—
Montreal	36	28	.563	3
New York	31	29	.517	6
Philadelphia	32	30	.516	6
St. Louis	27	37	.422	12
Chicago	27	38	.415	12½
West Division				
Cincinnati	39	28	.661	—
San Francisco	34	30	.531	7½
San Diego	31	30	.508	9
Los Angeles	30	33	.476	11
Houston	26	37	.413	15
Atlanta	23	38	.377	17

Sunday's Line Scores

AMERICAN LEAGUE

Toronto	013 020 200—8	9 0
New York	000 000 001—1	7 1

Stottlemyre and Borders; LaPoint, Plunk (7), J. Robinson (9) and Geren. W—Stottlemyre, 7-6. L—LaPoint, 4-6. HRs—Toronto, Lee (6), McGriff (13). New York, Nokes (4).

Milwaukee	001 001 200—	4 7 1
Cleveland	020 400 42x—12	14 0

R. Robinson, Edens (4), Mirabella (7), Veres (7) and Surhoff; Black, Valdez (7), Orosco (8) and Skinner. W—Black, 4-3. L—R. Robinson, 0-1. HRs—Cleveland, Snyder 2 (9), Baerga (2), Maldonado (11), Jacoby (7). Milwaukee, Yount (5), Sheffield (3).

Boston	000 200 300—5	10 0
Baltimore	200 000 210—5	10 1

Harris, Lamp (7), Gray (8), Murphy (9) and Pena; Ballard, Holton (7), Williamson (8) and Holles. W—Harris, 6-3. L—Ballard, 1-7. Sv—Murphy (2). HRs—Boston, Quintana (2). Baltimore, Worthington (7), C. Ripken (8).

California	200 050 000—7	4 0
Detroit	000 000 300—3	5 0

Finley, Eichhorn (7), Harvey (9) and Parrish; DeBois, McCullers (5) and Heath. W—Finley, 10-3. L—DeBois, 3-5. Sv—Harvey (8). HRs—California, Parrish (12). Detroit, Fielder (25), Lieberman (2).

Minnesota	000 230 001—6	10 1
Kansas City	000 100 000—1	5 0

Tapani, Candiotte (8), Aquilera (9) and Ortiz; Saberhagen, Crawford (8) and Palacios. W—Tapani, 7-4. L—Saberhagen, 5-6. Sv—Aquilera (16). HR—Kansas City, Jackson (7).

Oakland	001 000 022—5	12 0
Chicago	100 001 000—2	6 2

Moore, Burns (8), Eckersley (8) and Steinbach, Quirk (8); Petersen, Patt (5), B. Jones (8), Radinsky (8) and Karkovice. W—Moore, 5-6. L—Patt, 0-2. Sv—Eckersley (22). HRs—Oakland, D. Henderson (10), McGwire (17).

Texas	100 000 101—3	10 1
Seattle	020 120 00x—5	8 2

B. Witt, Rogers (9) and Russell; Johnson, Schooler (9) and Bradley. W—Johnson, 7-3. L—B. Witt, 3-8. HR—Seattle, Coles (2).

NATIONAL LEAGUE

Houston	100 000 000—1	4 0
Cincinnati	202 100 20x—7	8 2

Portugal, Hernandez (5), Schatzeder (7), Agosto (8) and Gedman; Rijo, Charlton (9) and Reed. W—Rijo, 5-2. L—Portugal, 1-7. HRs—Cincinnati, E. Davis 2 (7), O'Neill (8), Braggs (2).

New York	100 011 100—4	7 0
Pittsburgh	010 001 101—3	10 0

Gooden, Franco (8) and Mercado; Heaton, Belinda (7), Bair (8) and LaValliere, Slaught (9). W—Gooden, 5-5. L—Heaton, 9-2. Sv—Franco (11). HRs—New York, Carreon 2 (7).

Montreal	100 000 000—1	2 2
St. Louis	010 010 01x—3	8 0

Z. Smith, Costello (5), Mahoney (8) and Santiverio; DeLeon, DiPino (8) and Pagnozzi. W—DeLeon, 6-5. L—Z. Smith, 3-5. HRs—Montreal, Owen (3). St. Louis, Pendleton (5).

San Diego	002 001 000—3	8 1
Los Angeles	202 000 02x—4	7 0

Rasmussen, Show (2), Schiraldi (7), Lefferts (8) and Parent; Morgan, J. Howell (9) and Dempsey. W—Morgan, 7-5. L—Rasmussen, 6-4. Sv—J. Howell (2). HRs—Los Angeles, Gibson (3). San Diego, Roberts (5), Lynn (3).

Atlanta	200 211 100—7	14 5
San Francisco	022 002 02x—9	15 0

Glavine, Luecken (6), Castillo (7) and Olson; D. Robinson, Brantley (6), Thurmond (7), Bedrosian (7) and Carter, Kennedy (7). W—Bedrosian, 3-3. L—Castillo, 2-1. HRs—Atlanta, Gant 2 (12), Presley (7).

Chicago	002 100 011—5	12 0
Philadelphia	200 000 000—2	9 1

Pico, Assenmacher (8), Lancaster (8) and Girardi; K.Howell, Parrett (8) and Daulton. W—Pico, 3-0. L—Parrett, 2-4. Sv—Lancaster (3). HR—Chicago, Wynne (2).

Major League Leaders

AMERICAN LEAGUE

BATTING (183 at bats)—R. Henderson, Oakland, .333; Griffey, Seattle, .328; Gutiérrez, Chicago, .328; Fielder, Detroit, .322; Puckett, Minnesota, .322.

RUNS—R. Henderson, Oakland, 47; Gruber, Toronto, 46; Fielder, Detroit, 44; Canseco, Oakland, 43; Puckett, Minnesota, 42.

RBI—Fielder, Detroit, 61; Gruber, Toronto, 56; Canseco, Oakland, 50; Bell, Toronto, 45; Leonard, Seattle, 45.

HITS—Griffey, Seattle, 82; Gruber, Toronto, 76; Puckett, Minnesota, 75; Fielder, Detroit, 73; Franco, Texas, 73; Trammell, Detroit, 73.

DOUBLES—Puckett, Minnesota, 19; Jo. Reed, Boston, 18; R.Henderson, Oakland, 18; MWilson, Toronto, 17; Sheffield, Milwaukee, 17; Stillwell, Kansas City, 17.

TRIPLES—Fernandez, Toronto, 6; 7 tied with 4.

HOME RUNS—Fielder, Detroit, 25; Canseco, Oakland, 23; Gruber, Toronto, 17; McGwire, Oakland, 17; McGriff, Toronto, 13.

STOLEN BASES—R.Henderson, Oakland, 30; Perris, Texas, 21; Calderon, Chicago, 17; Sax, New York, 15; W.Wilson, Kansas City, 15.

PITCHING (7 decisions)—B. Jones, Chicago, 7-1, .875, 1.80; King, Chicago, 6-1, .857, 2.41; Clemens, Boston, 11-2, .846, 2.80; Welch, Oakland, 10-2, .833, 2.52; Stieb, Toronto, 9-2, .818, 2.46.

STRIKEOUTS—Clemens, Boston, 96; Langston, California, 84; Ryan, Texas, 85; R.Johnson, Seattle, 80; Hanson, Seattle, 79.

SAVES—Eckersley, Oakland, 22; D.Jones, Cleveland, 21; Thigpen, Chicago, 21; Aguilera, Minnesota, 16; Henneman, Detroit, 15; Schooler, Seattle, 15.

NATIONAL LEAGUE

BATTING (183 at bats)—Oquendo, Philadelphia, .307; Larkin, Cincinnati, .346; Dawson, Chicago, .344; B.Hatcher, Cincinnati, .335; Sandberg, Chicago, .335.

RUNS—Bonilla, Pittsburgh, 53; Sabo, Cincinnati, 49; Sandberg, Chicago, 48; W.Clark, San Francisco, 48; Mitchell, San Francisco, 47.

RBI—Mo.Williams, San Francisco, 55; J. Carter, San Diego, 54; W.Clark, San Francisco, 51; Bonilla, Pittsburgh, 49; Sosa, Pittsburgh, 48; Dawson, Chicago, 48; G.Davis, Houston, 48.

HITS—Oquendo, Philadelphia, 89; Sandberg, Chicago, 88; Larkin, Cincinnati, 79; Mo.Williams, San Francisco, 79; McGee, St. Louis, 79; T.Gwynn, San Diego, 79.

DOUBLES—Wallach, Montreal, 21; Guerrero, St. Louis, 19; Jefferies, New York, 19; Presley, Atlanta, 19; Oquendo, Philadelphia, 18.

TRIPLES—Coleman, St. Louis, 5; J. Bell, Pittsburgh, 5; T. Gwynn, San Diego, 5; 5 tied with 4.

HOME RUNS—G. Davis, Houston, 19; Sandberg, Chicago, 18; Dawson, Chicago, 17; Mitchell, San Francisco, 17; Bonilla, Pittsburgh, 15.

STOLEN BASES—Coleman, St. Louis, 38; Raines, Montreal, 24; Samuel, Los Angeles, 24; Yelding, Houston, 24; DeShields, Montreal, 23.

PITCHING (7 decisions)—Burkett, San Francisco, 7-1, .875, 3.31; Heaton, Pittsburgh, 9-2, .818, 2.99; Drabek, Pittsburgh, 8-2, .800, 3.15; Armstrong, Cincinnati, 9-3, .750, 1.99; Viola, New York, 9-3, .750, 2.62.

STRIKEOUTS—R. Martinez, Los Angeles, 102; Gooden, New York, 91; DeLeon, St. Louis, 77; Viola, New York, 73; Cone, New York, 66.

SAVES—De.Smith, Houston, 13; R. McDowell, Philadelphia, 13; Myers, Cincinnati, 12; Burke, Montreal, 11; Franco, New York, 11.

TRANSACTIONS

BASEBALL

American League

BALTIMORE—Waived Jay Tibbs, pitcher. Recalled John Mitchell, pitcher, from Rochester, International League. Activated Mike Devereaux, outfielder, from 15-day disabled list. Optioned Jose Bautista, pitcher, to Rochester.

CLEVELAND—Activated Keith Hernandez, first baseman, from 15-day disabled list. Optioned Jeff Manto, infielder, to Colorado Springs, Pacific Coast League.

OAKLAND—Sold contract of Ken Phelps, designated hitter, to Cleveland. Bought contract of Steve Howard, outfielder, from Tacoma, Pacific Coast League.

SEATTLE—Signed James Converse; Douglas Fitzer; David McDonald; Salvatore Urso, and Dion Garagaliano, pitchers; Nicholas Kounes, catcher, and William Wilder, and Clayton Kleviter, outfielders. Put Jay Buhner, outfielder-designated hitter, on 21-day disabled list. Activated Dave Valle, catcher, from 15-day disabled list. Moved Scott Bankhead, pitcher, from 21-day to 60-day disabled list.

National League

CHICAGO—Recalled Jose Nunez, pitcher, from Iowa, American Association. Optioned Dean Wilkins, pitcher, to Iowa.

CINCINNATI—Signed Victor Perez, first baseman, and assigned him to Billings, Pioneer League.

LOS ANGELES—Called up Jim Poole, pitcher, from San Antonio, Texas League. Sent Mike Maddux, pitcher, to Albuquerque, Pacific Coast League.

MONTREAL—Put Delino DeShields, second baseman, on 15-day disabled list. Recalled Jerry Goff, catcher, from Indianapolis, American Association.

ST. LOUIS—Extended contract of Dal Maxvill, general manager, for one year through 1992 season.

SAN FRANCISCO—Signed Adam Hyzdu, outfielder, and assigned him to Everett, Northwest League.

FOOTBALL

National Football League

ATLANTA—Signed Michael Haynes, wide receiver, to series of one-year contracts and John Settle, running back, and Tim Green, linebacker, to one-year contracts.

HOCKEY

National Hockey League

CALGARY—Signed Robert Reichel, center. Traded Brad McCrimmon, defenseman, to Detroit for a 1990 second-round draft pick. Traded Joe Mullen, right wing, to Pittsburgh for Penguins' second-round choice in 1990 entry draft; traded 20th pick in draft and two second-round picks to New Jersey for 11th pick and a second-round pick.

CHICAGO—Named Darryl Sutter associate head coach.

DETROIT—Acquired Rick Green, defenseman, from Montreal for 1991 fifth-round draft pick.

MINNESOTA—Said that ownership of the team has officially been transferred to Norman Green, Morris Belzberg and Howard Baldwin.

PHILADELPHIA—Traded Kevin Maguire, right wing, and eighth-round pick in 1990 entry draft to Toronto for third-round pick.

WINNIPEG—Traded Dale Hawerchuk, center, and 14th pick in 1990 entry draft to Buffalo for Scott Arniel, center; Phil Housley, defenseman; Jeff Parker, left wing, and 19th pick in 1990 entry draft.

COLLEGE

BELMONT ABBEY—Named Ken Lolla soccer coach.

GENEVA—Named Lee Wisniewski offensive line coach.

COASTGUARD—Named Pete Barry men's basketball coach.

COLUMBIA—Named Howard Endelman women's tennis coach.

CONNECTICUT—Said Richie Ashmeade, guard, will not be eligible for 1990-91 basketball season because of failure to meet academic requirements.

FORDHAM—Upgraded Dan Gallagher, part-time baseball coach, to full-time status.

HOWARD—Named Butch Beard men's basketball coach.

KINGS POINT—Named Mike Smolens men's soccer coach.

LAWRENCE UNIVERSITY—Named Jim Carrigan offensive coordinator.

LOUISIANA TECH—Named Scott Mayhew women's volleyball and tennis coach.

MORNINGSIDE—Named Jerry Schmutte men's basketball coach.

NATIONAL ASSOCIATION OF COLLEGIATE DIRECTORS OF ATHLETICS—Elected Frank Windegger president; Sam Jankovich first vice-president; Bill Byrne second vice-president; Jim Jones third vice-president; and Betty Kruczek secretary for 1990-91.

NEW MEXICO STATE—Named Neil McCarthy, men's basketball coach, to four-year contract.

OKLAHOMA—Named Gary Hudson women's basketball coach.

OKLAHOMA STATE—Named Jim Garner athletic director.

SOUTH ALABAMA—Extended contract of Steve Kittrell, baseball coach, three years.

XAVIER, NEW ORLEANS—Named Dale Valdery men's basketball coach.

GOLF

U.S. Open

Final scores and prize money Sunday in the $1.2 million U.S. Open golf championship, played on the 7,195-yard, par-72 Medinah Country Club's No. 3 course (a-denotes amateur; x-in 18-hole playoff Monday):

x-Mike Donald	67-70-72-71—280
x-Hale Irwin	68-70-74-67—280
Nick Faldo, $66,879	72-72-68-69—281
Billy Ray Brown, $66,879	69-71-69-72—281
Mark Brooks, $33,271	68-70-72-73—283
Tim Simpson, $33,271	66-69-75-73—283
Greg Norman, $33,271	72-73-69-69—283
Craig Stadler, $22,237	71-70-72-71—284
Steve Jones, $22,237	67-76-74-67—284
Scott Hoch, $22,237	70-73-69-72—284
Tom Sieckmann, $22,237	70-74-68-72—284
J.M. Olazabal, $22,237	73-69-69-73—284
Fuzzy Zoeller, $22,237	73-70-69-73—284
Larry Mize, $15,712	72-70-69-74—285
Jim Benepe, $15,712	72-70-73-70—285
John Hudson, $15,712	68-72-73-72—285
John Inman, $15,712	72-71-70-72—285
Scott Simpson, $15,712	68-73-73-73—285
Jeff Sluman, $15,712	66-70-74-75—285
Larry Nelson, $15,712	74-67-69-75—285
Curtis Strange, $12,843	73-70-68-75—286
Ian Woosnam, $12,843	70-70-74-72—286
Steve Elkington, $12,843	73-71-73-69—286
Corey Pavin, $11,309	74-70-73-70—287
Billy Tuten, $11,309	74-70-72-71—287
Jumbo Ozaki, $11,309	73-72-74-68—287
Webb Heintzman, $11,309	70-75-74-68—287
Paul Azinger, $11,309	72-72-69-74—287
Chip Beck, $10,022	71-71-73-73—288
Mike Hulbert, $10,022	76-66-71-75—288
a-Phil Mickelson	74-71-71-72—288
Brian Claar, $10,022	70-71-71-76—288
Jim Gallaghr, Jr., $8,221	71-69-72-77—289
Ted Schulz, $8,221	73-70-69-77—289
Bob Lohr, $8,221	71-74-72-72—289
Isao Aoki, $8,221	73-69-74-73—289
Mike Reid, $8,221	70-72-68-79—289
David Frost, $8,221	72-72-72-73—289
Bob Tway, $8,221	69-72-74-74—289
Kirk Triplett, $8,221	72-70-75-72—289
Tom Byrum, $8,221	70-75-74-70—289
Steve Pate, $8,221	75-68-72-74—289
Bobby Wadkins, $8,221	71-73-71-74—289
Seve Ballesteros, $8,221	73-69-71-76—289
Jack Nicklaus, $8,221	71-74-68-76—289
Craig Parry, $6,687	72-71-68-79—290
Dave Rummells, $6,141	73-71-70-77—291
Robert Thompson, $6,147	71-73-72-75—291
Dave Barr, $6,141	74-71-73-73—291
Mark McCumber, $6,141	76-68-74-73—291
Andy North, $5,184	74-71-71-76—292
Bill Glasson, $5,184	71-73-72-76—292
Ray Stewart, $5,184	70-74-73-75—292
Greg Twiggs, $5,184	72-70-73-77—292
Lanny Wadkins, $5,184	72-72-76-72—292
Bob Gilder, $4,684	71-70-74-78—293
Gil Morgan, $4,684	70-72-73-78—293
a-David Duval	72-72-72-77—293
Blaine McCallister, $4,684	71-72-75-75—293
Tom Kite, $4,684	75-70-74-74—293
Scott Verplank, $4,530	72-69-77-76—294
Robert Gamez, $4,530	72-73-73-76—294
Ronan Rafferty, $4,507	75-70-73-76—294
David Graham, $4,507	72-73-74-75—294
Howard Twitty, $4,507	73-72-77-72—294
Brad Faxon, $4,507	70-74-76-81—301
Mike Smith, $4,507	72-72-82-80—306
Randy Wylie, $4,507	70-75-81-82—308

BASKETBALL

U.S. Men's National Team

The 16 players remaining on the 1990 U.S. men's national basketball team following Sunday's second cut from a tryout group of 28. The list will be reduced to 12 players by July 19:

Kenny Anderson, Georgia Tech; Todd Day, Arkansas; Chris Gatling, Old Dominion; Bobby Hurley, Duke; Christian Laettner, Duke; Kevin Lynch, Minnesota; Lee Mayberry, Arkansas; Chris Mills, Arizona; Alonzo Mourning, Georgetown; Billy Owens, Syracuse; Mark Randall, Kansas; Chris Smith, Connecticut; Dave Smith, Missouri; Bryant Stith, Virginia; Clarence Weatherspoon, Southern Mississippi; Henry Williams, North Carolina Charlotte.

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—hand delivery Vienna	A.Sch.	5,400	2,972	3,000
Belgium	B.Fr.	11,000	7,200	6,000
Denmark	D.Kr.	3,100	1,268	1,700
Finland	F.M.	2,000	1,296	1,100
France	F.F.	1,600	1,312	880
Germany (mail)	D.M.	600	419	330
—*hand delivery	D.M.	758	261	389
Great Britain	£	150	105	82
Greece (mail)	Dr.	33,000	28,880	18,000
—hand delivery Athens	Dr.	41,000	20,880	23,000
Ireland	£Ir.	155	118	85
Italy	Lire	420,000	308,000	231,000
Luxembourg	L.Fr.	11,000	7,200	6,000
Netherlands	Fl.	600	492	340
Norway (airmail)	N.Kr.	2,250	1,390	1,200
—**hand delivery	N.Kr.	2,700	940	1,480
Portugal	Esc.	31,000	30,900	17,000
Spain (mail)	Ptas.	35,000	25,060	19,200
—***hand delivery Barcelona, Bilbao, Seville	Ptas.	38,000	22,087	20,900
—***hand delivery Madrid	Ptas.	51,480	—	25,740
Sweden (airmail)	S.Kr.	2,200	1,440	1,210
—**hand delivery	S.Kr.	2,800	840	1,540
Switzerland	S.Fr.	500	446	275
Rest of Europe, North Africa, former French Africa, Middle East	$	500	Varies by country	275
Rest of Africa, Gulf States, Asia	$	650		355
Central/Latin America	$	600		330

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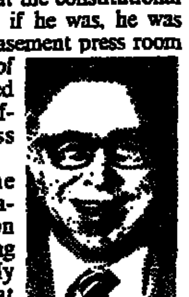
ART BUCHWALD

Let George Tell It

WASHINGTON — I am getting sick and tired of having people like George Will tell me what our Founding Fathers meant when they wrote the constitution.

Will wasn't at the constitutional convention, or if he was, he was down in the basement press room with the rest of us, being briefed by Thomas Jefferson's press secretary.



Buchwald

Take the Founding Fathers' position on the burning of the flag. My notes say that their spokesman indicated that the representatives from the 13 colonies debated the issue for three months.

There were those who wanted flag-burners to get capital punishment, and there were those who felt that 30 days of community service on the Hudson River would be sufficient.

Massachusetts did not believe flag-burning would do much damage to the country, at least in its formative years.

Georgia declared that the flag was a symbol of a new nation under God, and those who lit it were committing a crime against freedom and democracy.

It demanded a constitutional amendment to forbid it. New Hampshire pointed out that you couldn't add a constitutional amendment when there was no constitution.

□

Georgia said that the South always got the short end of the stick.

New York claimed that burning the flag was what the revolution was all about. It was freedom of speech at its best.

The more flags people destroyed, the more jobs would be created for the Delaware textile business, which made red, white and blue nylon fabric for the states.

The issue would have been resolved one way or another except that a delegate from North Carolina, named Helms, interrupted the debate and attacked the budget for the National Endowment for the Arts.

Pennsylvania had insisted that it be included *in the constitution.* Helms pointed out that the NEA was a very subversive organization, and if it wasn't stopped in its tracks it would someday give grants to museums to hang dirty Mapplethorpe photographs on the walls.

Nobody at the convention knew what a photograph was, so Helms said it didn't matter because he had heard that the NEA planned to support the financing of oil paintings of Martha Washington in the nude by Gilbert Stuart.

South Carolina announced that it could not join a nation that gave grants to pictures of men holding hands on the Boston Common. Their protest missed getting into the Bill of Rights by one vote.

□

This may have broken up the convention when the question of gun control came up. There was some *talk* by New *Jersey to forbid* citizens to have arms, but it was shouted down by Virginia and Maryland who claimed that, without guns, it would be impossible for them to keep their slaves from running away.

New Jersey agreed to let people *own firearms* as long as it could someday collect tolls on the Garden State Parkway.

What makes the constitution such an interesting piece of paper is that we have so many people around today who can tell us exactly what our forefathers meant when they drafted it.

Take the issue of abortion. It isn't mentioned in the constitution, but that doesn't mean it wasn't on the front burner during the long, hot summer in Philadelphia.

After a bitter debate, the Founding Fathers decided to leave it out of the document so that the Congress of 1990 would have something to do.

The reason we even have a country at all is that, although the constitutional delegates hadn't the slightest idea of what they were agreeing to, it didn't matter.

They knew that George Will would tell us what they really had on their minds.

Art Finder's Fee Opposed

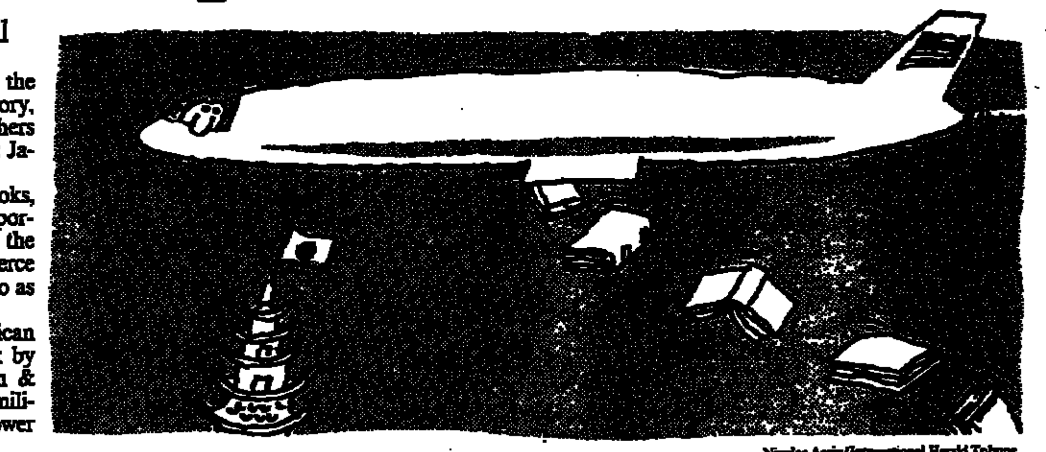
New York Times Service

WHITEWRIGHT, Texas — Willi A. Korte, a representative of an East German church who is trying to recover stolen artworks, opposes the paying of a finder's fee for part of the cache now in the hands of a German art dealer.

In Print, Japan Looms as Villain

By Edwin McDowell
New York Times Service

NEW YORK — Even as the Cold War fades into history, American authors and publishers are discovering a new enemy: Japan.



Nicolas Ascin/International Herald Tribune

In a deluge of recent books, Japan is increasingly being portrayed as a rising threat to the United States, not only as a fierce economic competitor, but also as a potential military foe.

"The End of the American Century," a nonfiction book by Steven Schlosstein (Congdon & Weed), argues that a newly militarized Japan might use its power against the United States.

Next spring, St. Martin's Press plans to publish "The Second U.S.-Japanese War," by George Friedman and Meredith LeBard. Friedman, who teaches political science at Dickinson College, in Carlisle, Pennsylvania, said the book would contend that "there is a good chance of a major U.S.-Japanese conflict within the next 20 years, including the possibility of an armed conflict."

Howard Kaminsky, the chief executive officer of the Hearst Trade Book Group, which includes William Morrow & Co., said, "We haven't bought any of the Japan-bashing books yet, but we've seen proposals for a lot of them."

"These books that bash Japan reflect a rush to fill the vacuum created by the winding down of the Cold War," said Ronald Takaki, a professor of ethnic studies at the University of California at Berkeley. "The economic conflict between the two countries is being described in the language of World War II."

Takaki, the author of "Strangers From a Different Shore: A History of Asian-Americans" (Little, Brown), said some of the books reflected a racial panic among the authors.

"They see an erosion of America's manufacturing base," he said, "and they realize that within the lifetime of our children they'll be living in an America where whites won't be a majority."

What is distinctive about the books is not just their proliferation, but also their harsh depiction of Japanese values, ethics and ambitions.

They differ substantially from many earlier books — including "Japan as Number One" (Harper/Colophon), by Ezra F. Vogel, a Harvard sociologist — that attributed Japanese success largely to an astute government, to management techniques and to social discipline.

Opinion polls show that Americans are reporting increasingly negative feelings about Japan. A New York Times/CBS News Poll in February reported that 25 percent of Americans interviewed said their feelings about Japan were "generally unfriendly," compared with 19 percent who said the same last June and 8 percent in 1985.

Publishers, however, deny that they are ganging up on Japan, or that racism accounts for the spate of books critical of Japan. Books, they say, often reflect a society's expressed or tacit concerns, and Americans, as the polls clearly show, are worried about Japan.

This winter, Simon & Schuster expects to publish a book that is critical of America: "The Japan That Can Say No," by Shintaro Ishihara. The author, a Japanese legislator and former government official, maintains that Japan holds the technological balance of power in the world and therefore should no longer be deferential to the United States. In the author's view, Japan is on the rise and the United States is declining.

It is possible, of course, that the Ishihara book could increase American fears and suspicions about Japan, helping to create an even bigger market in the United *States for anti-Japanese books.*

But most of the dozen or more books to be published in this country about Japan are already unmistakably unflattering. Two scheduled for publication in the fall are sharply critical of Japanese lobbying activities in this country.

"Agents of Influence," by Pat Choate (Alfred A. Knopf), charges that Japan is spending $350 million a year to try to sway American public opinion in favor *of Japanese interests, and is even* indirectly financing American political parties.

"The Japanese Power Game," by William J. Holstein (Charles Scribner's Sons), asserts that Japanese lobbying, already powerful, is likely to grow stronger.

"The House of Nomura: The Inside Story of the Legendary Japanese Financial Dynasty," by Albert J. Alletzhauser, recently published by Arcade Publishing/Little, Brown, offers a less than admiring look at the Nomura Securities Co. in Tokyo, the world's largest brokerage firm.

In late April, after the book was published in London, Nomura filed a libel suit against the author and publisher and sought an injunction halting distribution of the book. But the book continues to sell in Britain.

Novelists, too, are beginning to label Japan as the enemy: No. 5 on the hard-cover fiction best-seller list of The New York Times this week is "Dragon," by Clive Cussler (Simon & Schuster), which is about a conspiracy to force the West to accept Japan's world leadership. And this fall, E.P. *Dutton plans to publish* "Avenue of the Stars," by Jina Bacarr and Ellis A. Cohen, a novel about a ruthless Japanese billionaire who tries to take over the last private movie studio in Hollywood.

Both novels are a far cry from "Shogun," James Clavell's generally admiring novel about 17th-century Japan and the Japanese character, which was published in 1975.

Other books have been highly *critical of Japan, of course.* Two years ago, Daniel Burstein published "Yen! Japan's New Financial Empire and Its Threat to America" (Simon & Schuster).

Assertions that the Japanese pose a military threat to the United States and to the West are not new; similar assertions were made as long ago as 1972, in "Black Star Over Japan: Rising Forces of Militarism," by Albert Axelbank (Hill & Wang), and as recently as 1985, in "The Militarists: The Rise of Japanese Militarism Since WWII," by Edwin P. Hoyt (Donald Fine).

But authors who make similar claims today can point to Japan's growing military sector. "Japan now has the third largest defense budget in the world," Friedman said. "While part of that has to do with the inflation of the yen, and even though defense is 1 percent of their GNP, it's still enormous. It's not so much a rise in militarism, but a rise in arrogance, a sense that now they'll show the world what they can do. The question is what they will do when they are thwarted, if we cut off their supply of oil, for *instance.*"

PEOPLE

At Kennedy Center, TV

Looking to create what he calls a "seventh stage" at the Kennedy Center in Washington, its chairman **Jim Wolfensohn** has hired a television executive, **Carolyn Reynolds**, to run his television and special projects division. Reynolds, 45, is director of programming at the *Arts & Entertainment* Network. Aside from seeking material for broadcast, she will handle projects such as the Texas Festival in June 1991 and the Festival of the Americas in 1992. Wolfensohn said he hoped the Kennedy Center can develop entertainment and educational broadcasting. Reynolds said she believed the arts are "as much about musicals as about opera," but added, "the Kennedy Center is not going to go totally commercial and start getting everything on television. That's just not going to happen." She said she hopes to take advantage of an increasingly hearty European appetite *for television* fare. "There's a lot of interest, certainly internationally, in arts programming. This is the only programming that crosses cultural boundaries, that doesn't have to be subtitled. The Kennedy Center can be a real focal point for showcasing what's in America." While the Kennedy Center "is limited to 7,000 seats a night," Wolfensohn said, television would enable the institution to reach millions.

□

Jean MacArthur, the 91-year-old widow of **Douglas MacArthur**, had *her old friend* **Barbara Bush** *at her* side when she cut a ribbon to open a new research center of the MacArthur Memorial in Norfolk, Virginia. MacArthur said it was her first speech. "I left all that to the general," she said. "She stood by the general through Corregidor, Australia and Japan," Bush said. "This quiet, gentle woman is loved by all who know her." The general is entombed at the Memorial.

□

Swedish creditors will sue the former tennis star **Bjorn Borg** for failing to pay debts of 10 million *kronor ($1.65 million)* from his defunct business empire. Borg's fashion retail business went into liquidation last year.

□

As France honored **Charles de Gaulle** (1890-1970), Britain remembered a favorite son, **Stan Laurel** *(1890-1965). A statue to commemorate* Laurel, of the comedy team

AP

Stan Laurel in Hollywood.

Laurel and Hardy, was dedicated in Tyneside, England, on the 100th anniversary of his birth. The actor, whose real name was **Arthur Jefferson**, was born in Ulverston, but his family later moved to Tyneside where his father ran a theater. As a young man, Laurel emigrated to the United States and met **Oliver Hardy**. Their act became classic.

□

The Algerian director **Rachid Benhadj** won the best picture award at the sixth Troia, Portugal, film festival. A jury of headed by the Hungarian director **Marta Meszaros** gave Benhadj the Golden Dolphin prize for the film "Louss," about a disabled boy living with his sister in a Saharan oasis. The festival is limited to films from countries that produce fewer than 20 features yearly.

□

LaToya Jackson returned to London from Rome with two black eyes, sparking a variety of reports that the singer was either beaten up, the victim of a kidnap attempt or both. The Daily Mail tabloid said LaToya, **Michael Jackson's** sister, was injured while in Milan with her husband and manager, **Jack Gordon**, who said she was the target of a kidnap attempt there. It quoted LaToya as saying through her spokesman: "I was beaten up in Milan two days ago — I don't want to talk about it." The Italian police have denied any reports of violence against Jackson, the Mail said.

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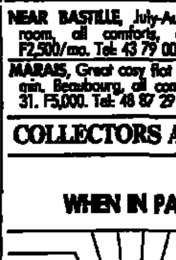

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